



22 November 2024

## Chairman's Address and Trading Update

### Financial Year in Review

The past year has seen a continuation of somewhat subdued and uncertain markets. We have previously reported net profit after tax for the financial year 2024 (attributable to members) of \$5.5 million and full year dividends of 4.75 cents fully franked.

During the financial year, Euroz Hartleys Group Limited ("**Euroz Hartleys**" or the "**Company**") continued our journey to provide the best possible platform for our staff, clients and shareholders.

Our ongoing focus on investing into our youth, succession and culture will help to ensure growth and resilience in all aspects of Euroz Hartleys going forward. We have finalised our third year of entrants to our graduate program which has ensured an inflow of talented individuals who will underpin our future.

We are particularly pleased that both Wholesale and Private Wealth brokerage revenues were up strongly on the previous financial year due to a stronger focus on our trading capabilities. Total brokerage revenues were up 17 % on the previous year.

A brief but strong capital raising window towards the end of the financial year assisted us to complete total ECM raisings of ~\$1.4 billion, down from \$1.9 billion in the previous period. Our ECM revenues were down 13% compared to the previous year. ECM revenues remain the most important and leveraged part of our business. Whilst we are pleased with our ECM performance during another quiet year for overall market ECM activity we remain confident that our platform will perform very well when stronger ECM market windows open.

Our advisory revenues are a cyclical and smaller component of our revenues and can vary significantly from year to year. Advisory revenue was down 80% after a particularly good previous year and we are confident that these revenues from our significant corporate client base will rebound.

We remain focused on increasing our recurring revenues and report a modest increase in Funds Under Management (**FUM**) to \$3.89 billion up from \$3.47 billion. Our team has spent considerable time and effort in developing new investment capabilities and enhanced platforms to drive FUM growth and consolidate the products in our wealth offering. We have high expectations that the coming year will deliver stronger underlying organic FUM growth as we grow our share of wallet from our existing, large client base and referral network.

We believe there is great strength in the wide diversity of our retail and wholesale revenues. We will continue to embrace all types of both transactional and recurring revenues which give us the ability to withstand market downturns and make the most of busier markets when they inevitably return.



We congratulate all staff for their efforts this year in bringing all of our high performing teams together at our new premium office location at QV1. This move to unite all our staff in one office has been important for our culture and provides an improved platform for future growth.

### **Trading Update**

The first four months of this financial year have started well. July and August were particularly strong trading months for us while September and October were somewhat quieter. We can now report an improved unaudited net profit after tax of ~\$5 million for the four months to 31 October 2024.

Driving this improvement was the completion of \$606 million of ECM raisings in the financial year to 31 October. On an absolute basis our ECM revenues are up 146% versus the same corresponding period last year. Major capital raisings included \$150 million for West African Resources, \$85 million for Bannerman Resources, the \$80 million IPO for Bhagwan Marine and \$70 million for Botanix Pharmaceuticals.

Our ASX broking revenues were also pleasingly up 7% for the first four months of the year versus the same corresponding period. Continued focus on a team based approach to our wholesale business also assisted in a continuation of strong institutional block trading activity.

Increasing our recurring revenues remains a strategic priority and we can report improving business development activity that is now driving recurring organic FUM growth. Group FUM was modestly up to approximately \$4.1 billion as at 31 October 2024.

### **Summary**

Our growing balance sheet of \$97 million of cash and investments at 31 October 2024 continues to strongly support our activities, differentiates us from many of our competitors and provides confidence to our significant adviser network and their extensive client base.

The best measure of a strong business is the payment of dividends and we are proud that we have now returned \$345 million in fully franked dividends and \$40 million of capital to shareholders across our 24-year history.

I would like to sincerely thank our 187 staff who represent the majority of the goodwill in our business. Our people are what ultimately drives our success and 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.



We are optimistic that our financial outlook and market position has improved and that our business remains strongly leveraged to a solid long-term outlook for commodity prices, a positive Western Australian economy and a growing need for meaningful and holistic financial advice.

For further information please contact:

**Andrew McKenzie**

Executive Chairman

M: 0438755727

E: [amckenzie@eurozhartleys.com](mailto:amckenzie@eurozhartleys.com)

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