

INVESTOR PRESENTATION

July 2019



Euroz is a growing and diversified financial services company

GROUP FUM

\$1.58b¹ 

MARKET CAPITALISATION

\$200m¹ 

FULL YEAR DIVIDEND

6.75cps

\$222m 

FULLY FRANKED DIVIDENDS
IN 19 YEARS

\$111m¹

CASH & INVESTMENTS

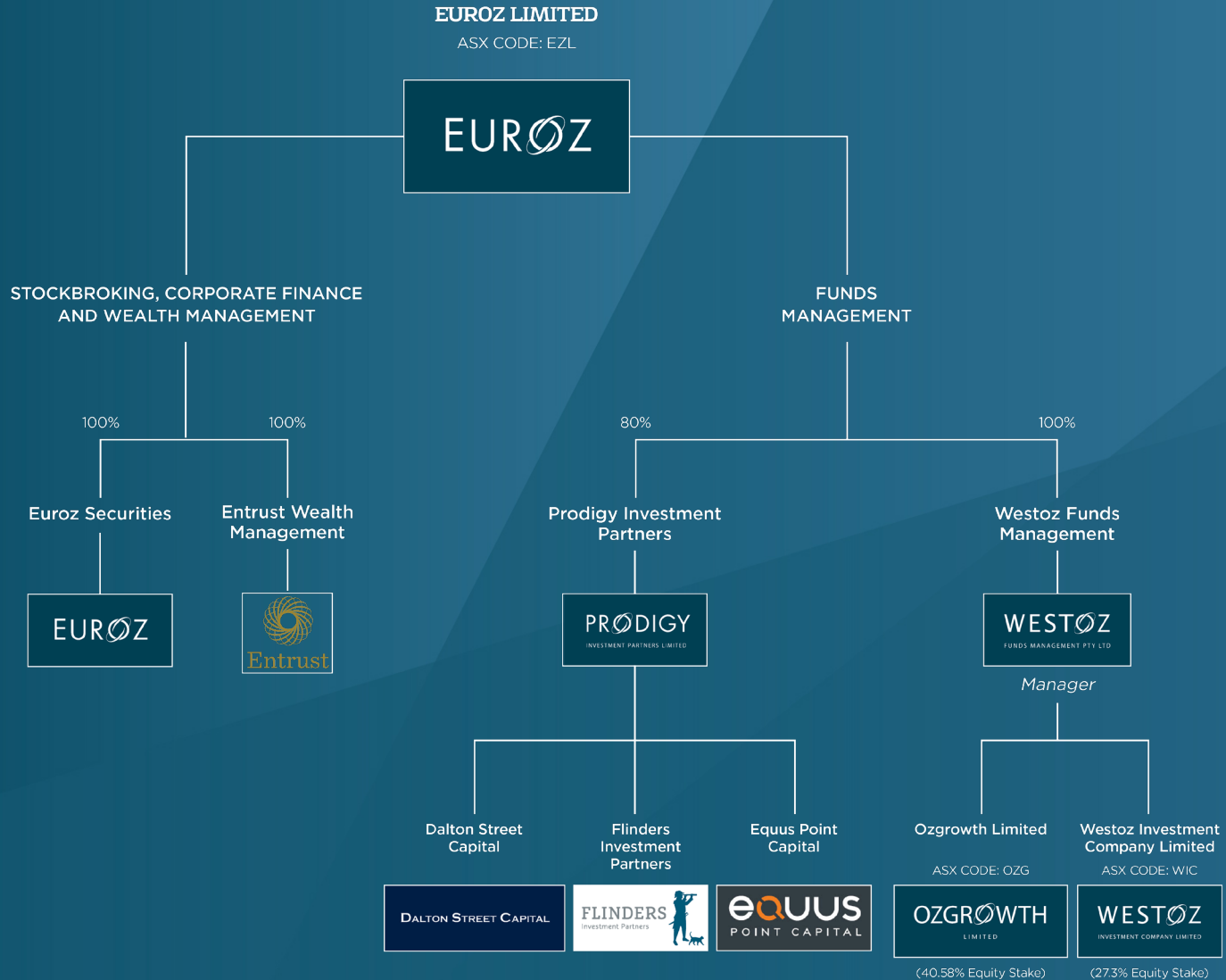
40% 

STAFF OWNERSHIP

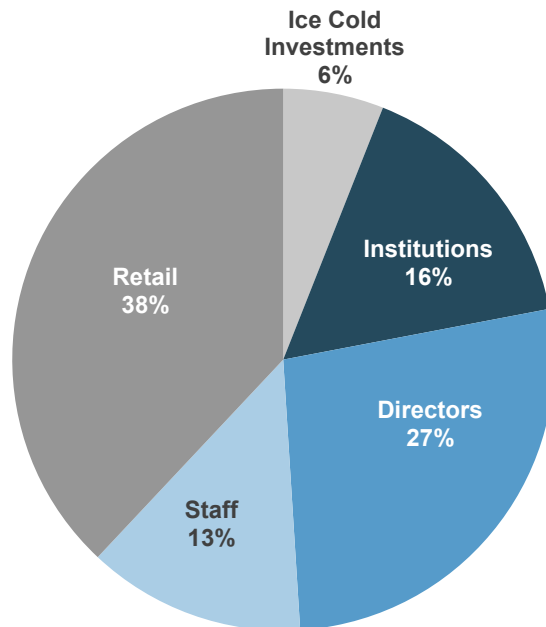
A strong platform for future diversification and growth

GROUP STRUCTURE

EUROZ



Increasingly diversified share register



- Staff ownership of 40%
- Increasing institutional ownership
- Improving liquidity
- Performance Rights Plan = ongoing capital management

Significant staff ownership = strong alignment with shareholders

Note : As at 30 June 2019

Solid NTA Growth



Strong balance sheet / increasingly diversified revenue streams

Underlying “cash” profits of \$9.5 million after tax were offset by -\$9.6 million “non-cash” after tax losses from mark to market investments

BREAK EVEN HEADLINE RESULT

\$-0.1m¹

UNDERLYING CASH PROFIT

\$9.5m¹

FULL YEAR DIVIDEND

6.75cps

GROUP FUM UP 8%

\$1.58b 

EUROZ SECURITIES EQUITY RAISINGS

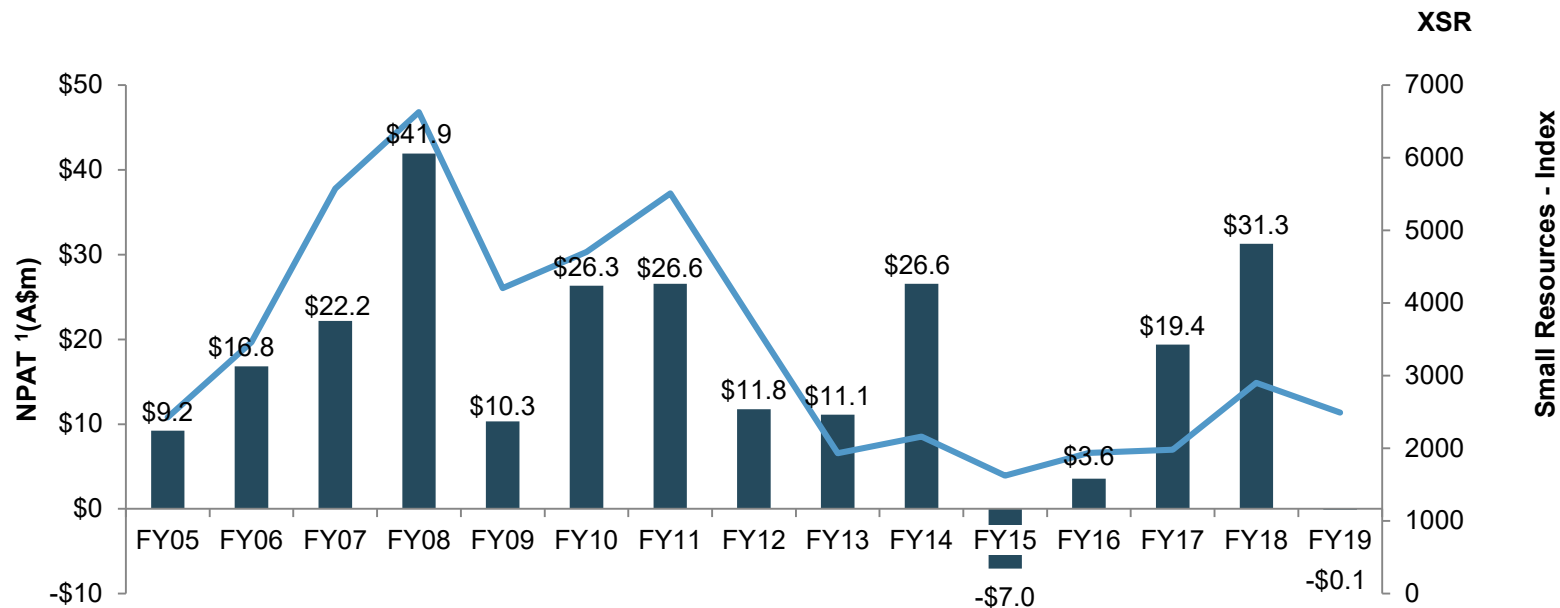
\$469m

CASH & INVESTMENTS

\$111m

Note 1: Attributable to members

Resource and commodity markets improving but remain volatile due to global events

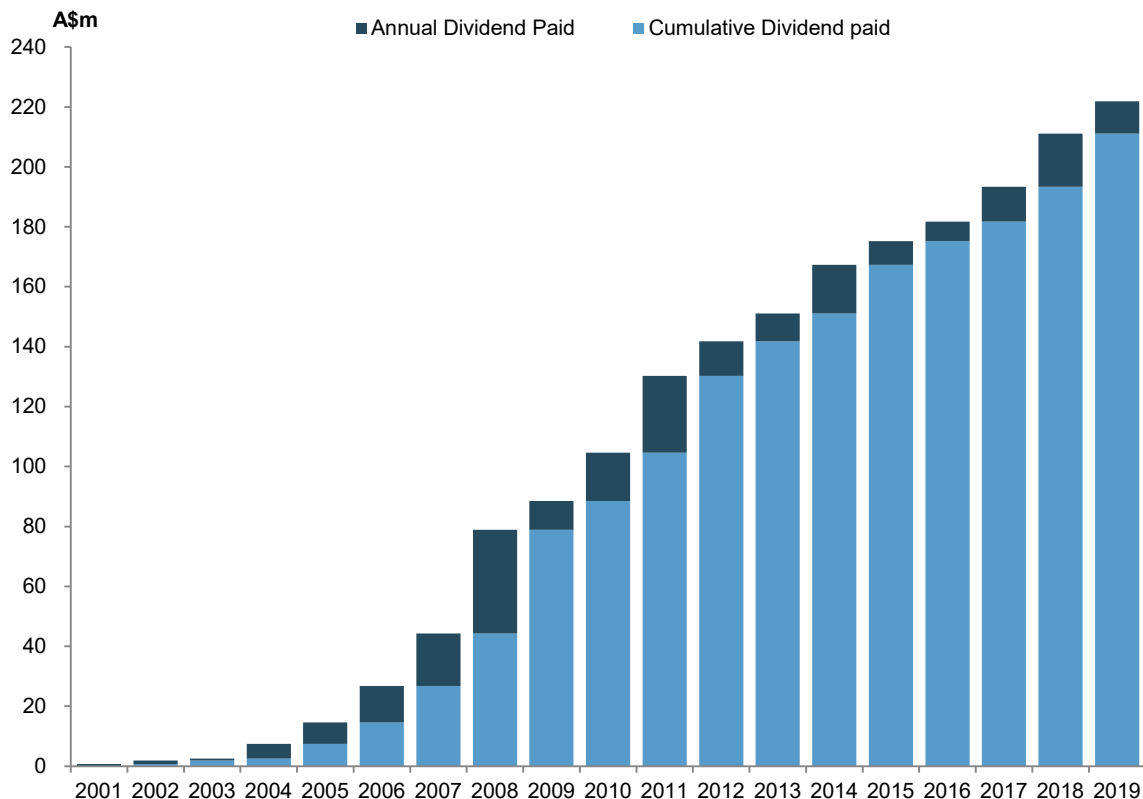


- Strong past correlation to resource markets (Small Resources Index)
- Small Resources Index up 47.5% financial year 2018 and down 14.3% in the 12 months to 30 June 2019
- Strategy is to generate diverse revenue streams whilst maintaining traditional upside leverage to resource markets

Maintain traditional strengths while building new revenue streams

Note 1: Attributable to members

Euroz has paid \$222 million in fully franked dividends in 19 years



PAST:

- Paid \$222m dividends over 38 consecutive half year periods
- High payout ratio

FUTURE:

- Aim to increase the base level of dividends through generating recurring revenue streams

Strong dividend history reflects strong cash flow and minimal capital expenditure

Euroz Securities - 19 year history of partnering and supporting clients through research, dealing and corporate finance services

Research

- Quality equities research is the foundation of our business
- Highly rated research from our team of six analysts

Institutional Sales

- Institutional advisory and equities dealing services
- Team of nine institutional dealers have significant long-term relationships with major institutional investors

Private Client Dealing

- Predominantly high net worth client base
- Significant capacity to support new issues/construct first class share registers
- Expanded wealth management capabilities

Corporate Finance

- Dominant market position in WA Equity Capital Markets (**ECM**)
- Specialised mergers and acquisitions (**M&A**) corporate advisory services

LONG TERM STRATEGY: Leverage deal flow in WA related companies through high quality research, dealing and corporate finance services

Major financial year corporate finance transactions

EUROZ

Supporting our clients on major transactions during FY19

Placement + ANREO

\$60 million

Lead Manager & Underwriter

Euroz Securities Ltd
Jul 18

Placement

\$25 million

Joint Lead Manager

Euroz Securities Ltd
Aug 18

Placement + ANREO

\$35.1 million

Joint Lead Manager

Euroz Securities Ltd
Sep 18

Placement

\$74.4 million

Lead Manager & Underwriter

Euroz Securities Ltd
Oct 18

Placement

\$27 million

Lead Manager

Euroz Securities Ltd
Oct 18

Placement

\$43.2 million

Joint Lead Manager & Underwriter

Euroz Securities Ltd
Dec 18

Acquisition by EagleView Technologies Inc.

\$136.8 million

Financial Adviser

Euroz Securities Ltd
Dec 18

Placement

\$50 million

Joint Lead Manager

Euroz Securities Ltd
Feb 19

Placement

\$31.5 million

Lead Manager

Euroz Securities Ltd
Feb 19

Placement & ANREO

\$30.9 million

Co-Manager

Euroz Securities Ltd
Apr 19

Placement

\$25 million

Lead Manager

Euroz Securities Ltd
May 19

Placement

\$15 million

Joint Lead Manager

Euroz Securities Ltd
May 19

Placement

\$18 million

Joint Lead Manager

Euroz Securities Ltd
May 19

Placement

\$16.2 million

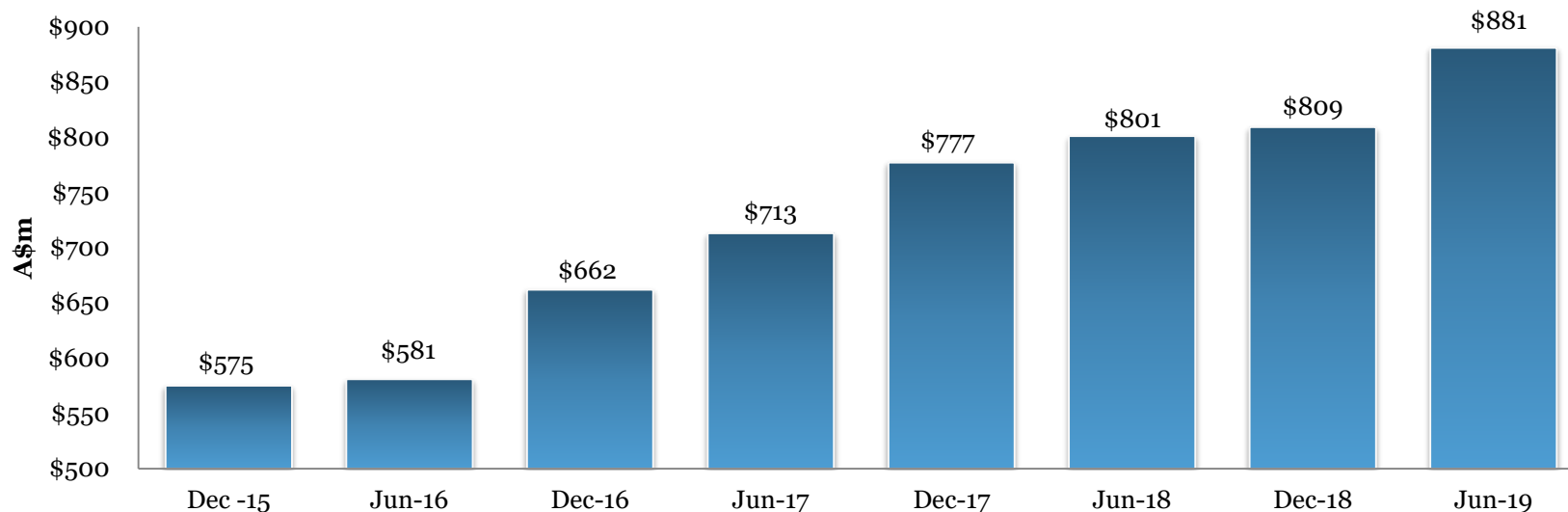
Joint Lead Manager

Euroz Securities Ltd
Jun 19

Entrust Wealth Management - 16 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
- Euroz acquired Entrust Wealth Management (**Entrust**) in July 2015
- The strategy behind acquiring Entrust was to leverage an established wealth management business with long term ongoing revenues as a platform for further acquisitions and organic growth
- Entrust has a significant high net worth client base with Funds Under Management (**FUM**) of \$881m

ENTRUST FUM

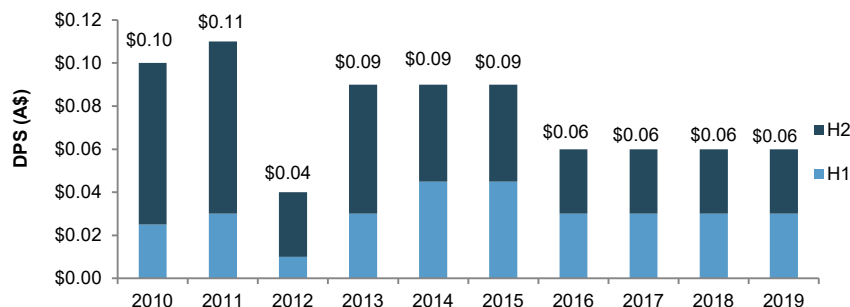


LONG TERM STRATEGY: Grow FUM through organic growth and attracting external wealth advisors to join our wealth platform

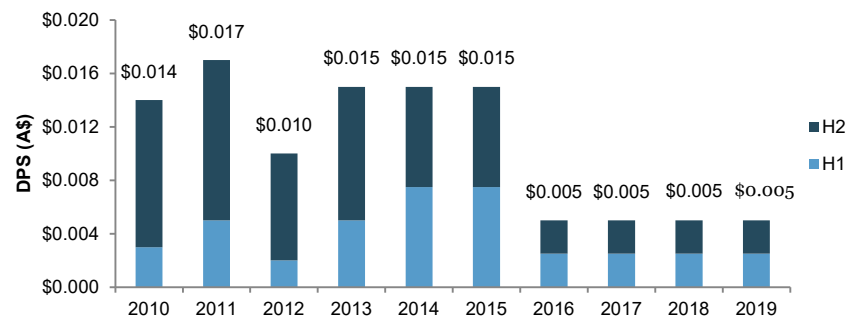
Westoz Funds Management – “Finding the Best in the West”

- Westoz Funds Management (**WFM**) is a 100% owned subsidiary of Euroz Limited established in 2005
- 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 \$38.8m in dividend income to Euroz Limited since inception
- WIC and OZG have paid \$157m in fully franked dividends to shareholders since inception
- Euroz owns 27.30% of WIC and 40.58% of OZG
- WIC Gross Investment full year performance of -2.2% to 30 June 2019
- OZG Gross Investment full year performance of -9.3% to 30 June 2019

WESTOZ INVESTMENT COMPANY LIMITED (ASX:WIC)



OZGROWTH LIMITED (ASX:OZG)



LONG TERM STRATEGY: provide a steady base of ongoing management fee revenues with potential performance fee upside

WESTOZ
FUNDS MANAGEMENT PTY LTD

FINDING THE
BEST
IN
THE WEST

Prodigy Investment Partners – boutique funds management joint venture

- Prodigy Investment Partners (**Prodigy**) is an 80% owned joint venture between Euroz Limited and Steve Tucker
- Flinders Investment Partners (**Flinders**) was launched in July 2015, Dalton Street Capital (**DSC**) in May 2016, and Equus Point Capital (**EPC**) in November 2018

PRODIGY INVESTMENT PARTNERS LIMITED



- Flinders is a specialist small companies investment manager that brings together two of Australia's most experienced small and emerging company investors Andrew Mouchacca (ex -Contango Asset Management) and Richard Macdougall (ex - Perennial Growth)
- Flinders has achieved "Recommended" rating from Lonsec and an "Approved" rating from Zenith
- Top quartile performance since inception
- Gross investment performance of 4.6% FY19 and since inception of 14.5%.

DALTON STREET CAPITAL

- DSC's strategy is aimed at giving investors access to strong uncorrelated absolute returns through different market cycles
- DSC is headed by Alan Sheen. Alan previously worked at Credit Suisse where he was Head of Proprietary Trading.
- DSC has achieved "Superior" fund rating from SQM Research, "Investment Grade" from Zenith and "Investment Grade" from Lonsec
- Gross investment performance of -2.5% for FY19 and 12.4% CYTD.



- Systematic market neutral focussed strategy
- Equus will target a return of 5% -10% p.a. above benchmark using a systematic approach to harvest both positive and negative momentum in a risk controlled environment
- The Equus team led by Co-Founders and Portfolio Managers Rob Stewart and Toby Masters have been successfully managing this specific strategy for the last 20 months
- Seeded 1 December 2018.
- Gross investment performance of 5.6% FY19.

LONG TERM STRATEGY: provide a steady base of diverse ongoing management fee revenues with potential performance fee upside

Improving balance sheet

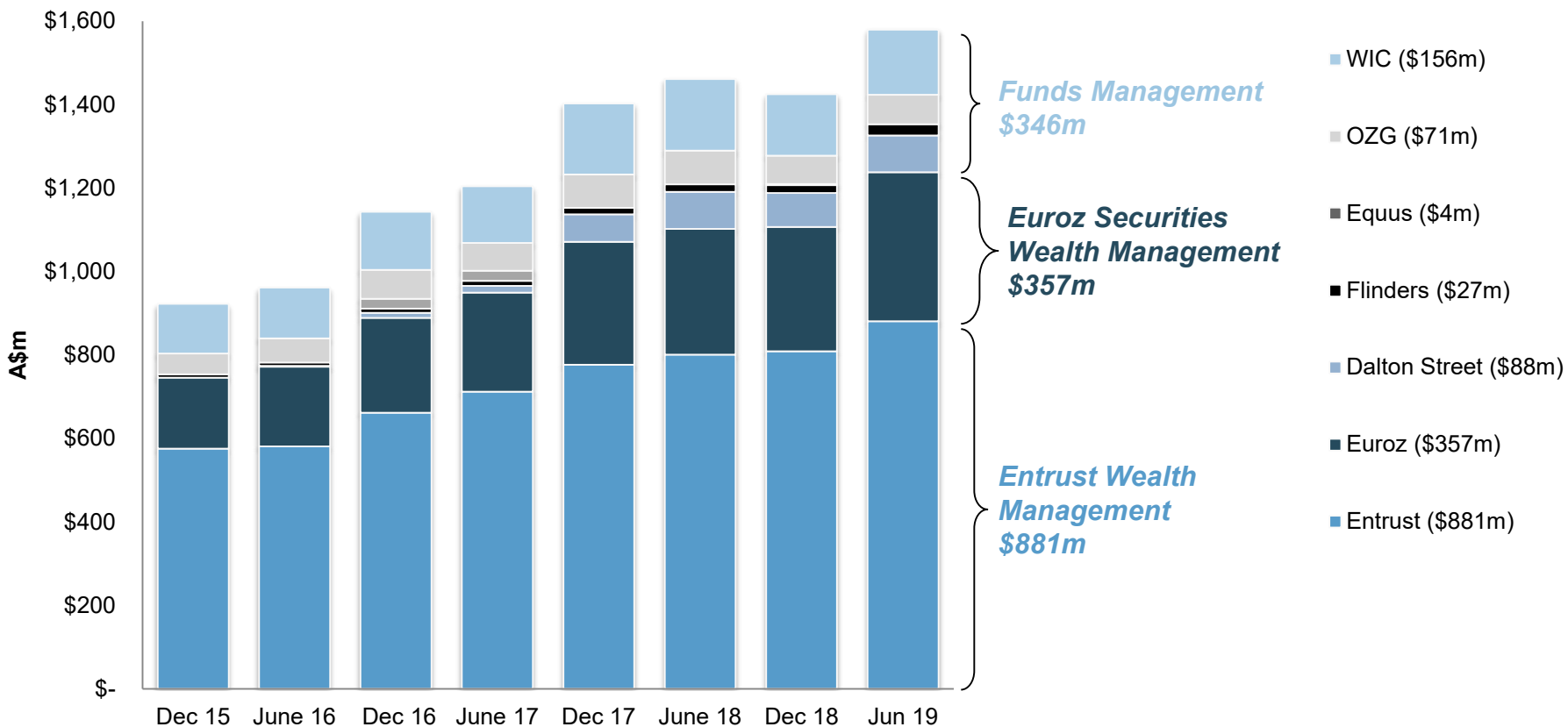
- Strong balance sheet/zero debt
- Recycle Prodigy fund investments over time
- Market Valuation: \$78m – \$89m enterprise value

	Cost	Market	Look through value ¹
Westoz	\$39.0m	\$36.3m	\$40.2m
Ozgrowth	\$27.7m	\$21.7m	\$28.8m
Flinders / Dalton / Equus Investments	\$11.4m	\$12.5m	\$12.5m
Other Investments	\$9.6m	\$8.0m	\$8.0m
Cash	\$32.4m	\$32.4m	\$32.4m
Total	\$120.1m	\$110.9m	\$121.9m
NTA		\$0.69	\$0.77
Market Capitalisation (\$1.25/share)		\$200m	\$200m
Enterprise Value (approx.)		\$89m	\$78m

Note 1: WIC and OZG valued at NTA

FUNDS UNDER MANAGEMENT

Strong organic FUM growth from a diverse range of businesses



Group FUM of \$1.58 billion

Note: ■ PFM (\$24m) Precision Funds Management removed from 01/07/2017 as no longer a corporate authorised representative

Euroz Group Summary

- Solid performance from Euroz Securities
- Group FUM up 8% at \$1.58 billion
- Lower WIC and OZG share prices affecting reported profitability
- Net loss after tax (attributable to members) of -\$0.1m
- Underlying “cash” profit of \$9.5m after tax offset by -\$9.6m “non cash” after tax loss on mark to market of investments

Euroz Securities

- Solid performance
- \$469m in announced ECM raisings
- FUM up 19% to \$357m

Entrust Wealth Management

- Platform for future wealth management acquisitions and organic growth
- 10% increase in FUM to \$881m
- Exploring smaller bolt on acquisitions

Westoz Funds Management

- A year of consolidation after two very good years
- WIC -2.2%↓ to 30 June 2019 FUM \$156m
- OZG -9.3%↓ to 30 June 2019 FUM \$71m
- Opportunity for performance fees next year



Prodigy Investment Partners

- Continues good progress into retail platform market
- Building strong relationships with consultants and platforms
- New partnership with Equus Point Capital
- Good relative performance from all funds / partnerships

FLINDERS
Investment Partners



Flinders Investment Partners

- Excellent 2019 financial year gross investment performance of 4.6%
- Top quartile performance since inception and research upgrade from Lonsec Research providing increasing sales pipeline for new FUM flow
- Modest FUM growth to \$27m

DALTON STREET CAPITAL

Dalton Street Capital

- Gross investment performance of -2.5% for previous financial year
- 12.4% gross investment performance calendar year to date
- Number one Australian Managed Futures strategy over 3 years
- FUM now at \$88m

eQUUS
POINT CAPITAL

Equus Point Capital

- Systematic market neutral strategy
- Seeded 1 December 2018
- A solid 5.6% gross investment performance since inception

Euroz is a growing and diversified financial services company

Solid profitability

Established track record and strong balance sheet provides solid platform for growth



Paid \$222m fully franked dividends in 19 years

Diversification strategy continues

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

THANK YOU

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