

Investor Presentation

April 2017



EUROZ

Euroz Limited is a growing and diversified financial services company

\$13.2m



NPAT¹

Strong first half result

**Market
capitalisation**

\$194m²



48%

Strong staff
ownership



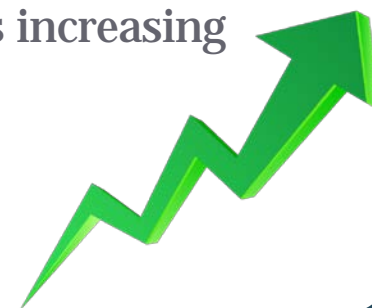
\$185m



fully franked dividends in 16 years

Cash & investments increasing

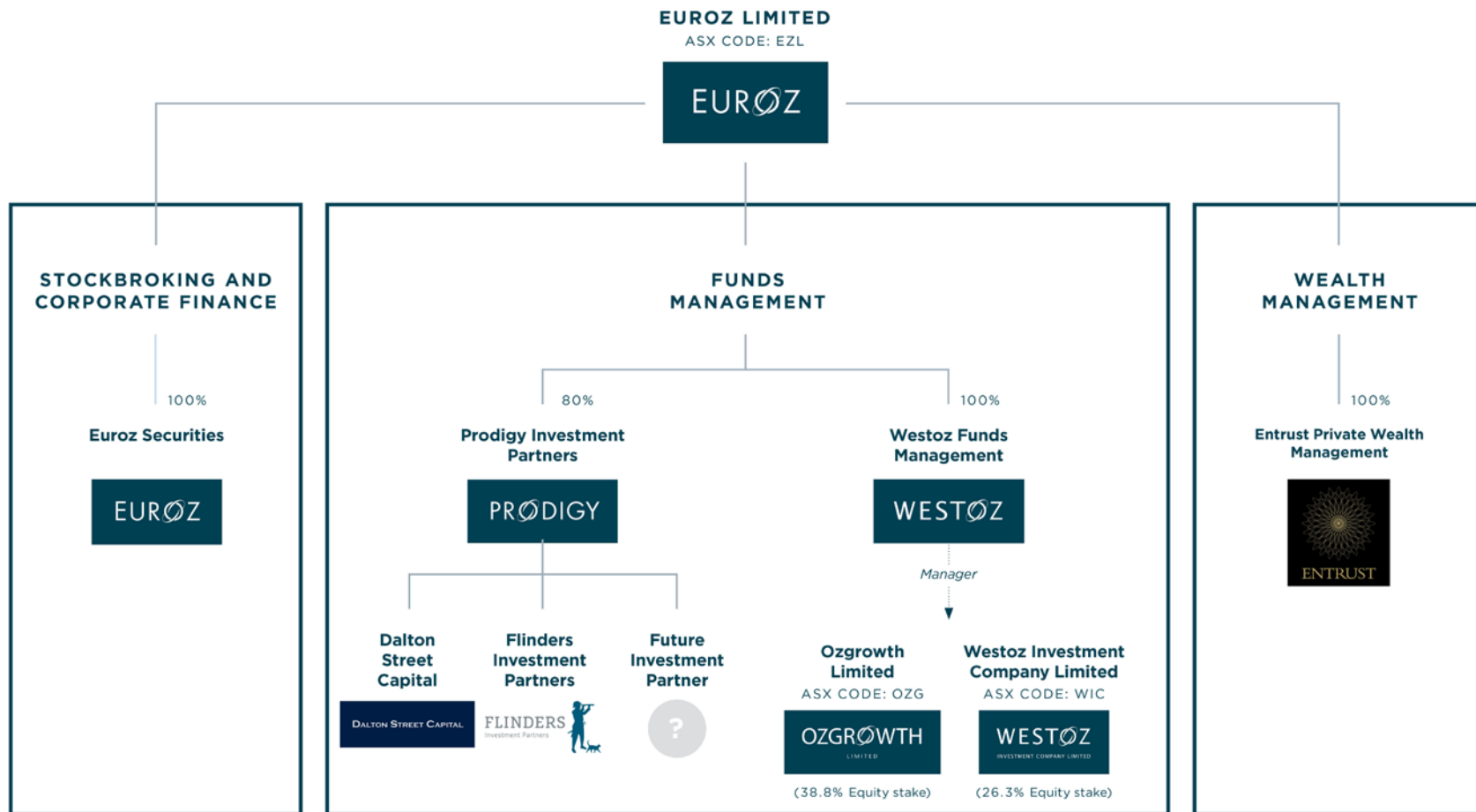
\$116m²



A strong platform for future diversification and growth

Note 1: Net profit after tax as at 31 December 2016

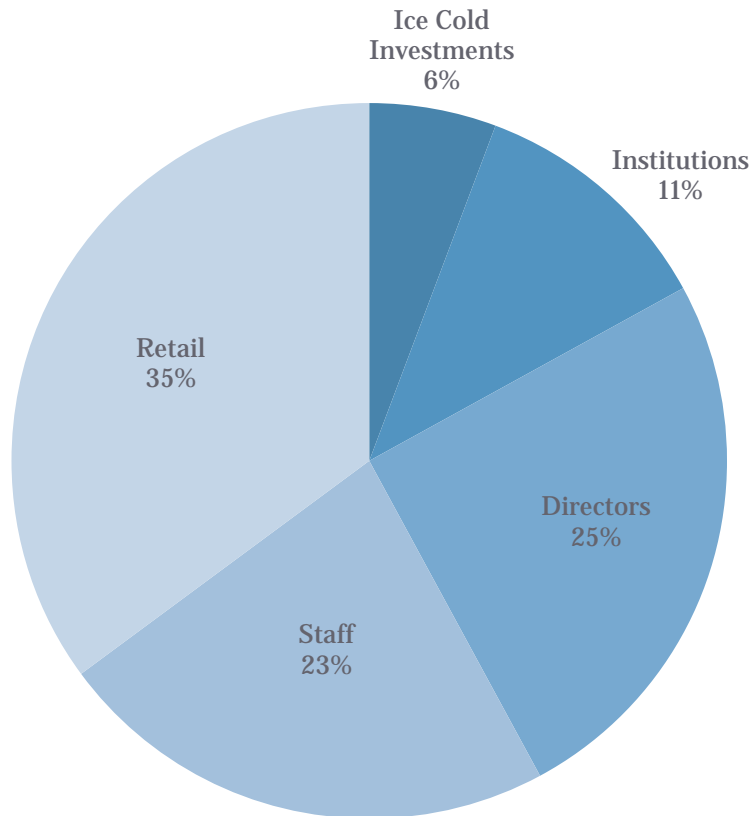
Note 2: As at 31 March 2017





- Strong balance sheet/zero debt
- Defensive in difficult markets
- Historical leverage in good markets
- Western Australia and commodity prices improving

Strong balance sheet provides platform for future growth

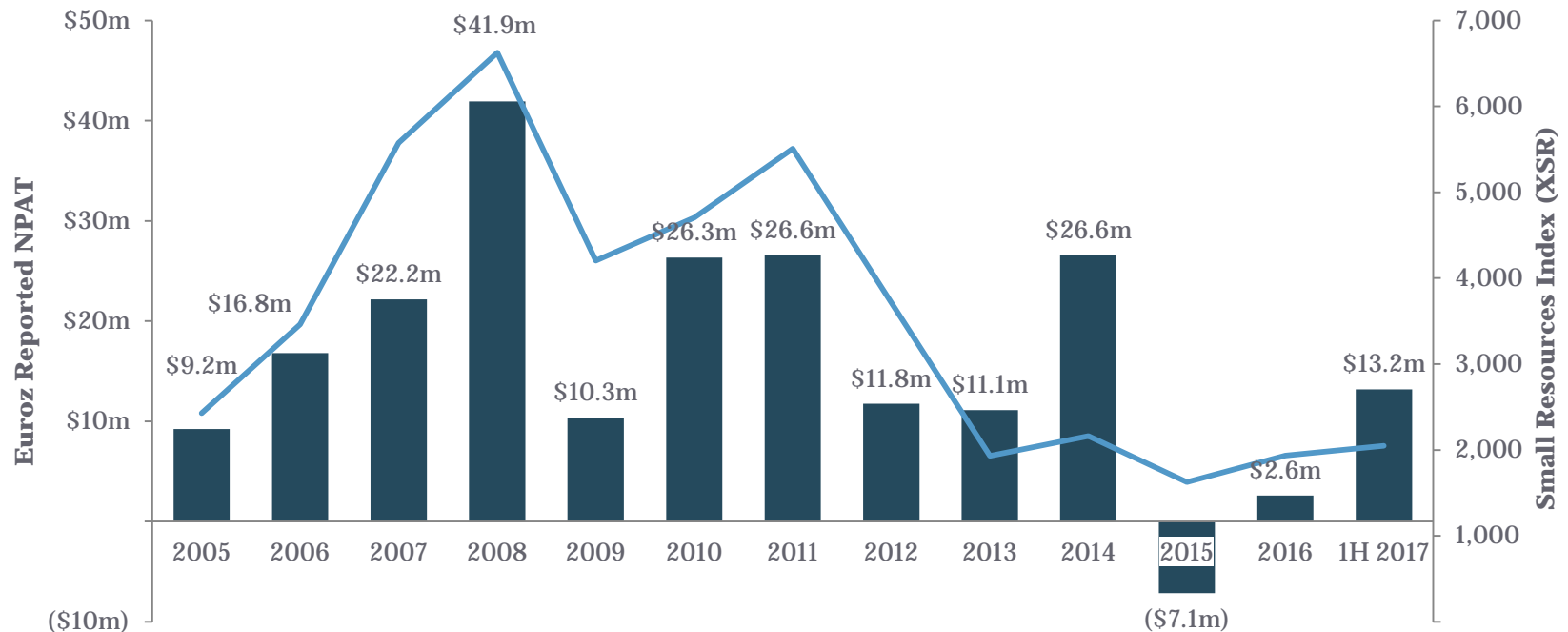


As at 31 March 2017

- Staff ownership of 48%
- Increasing institutional ownership
- Improving liquidity
- Performance Rights Plan = ongoing capital management

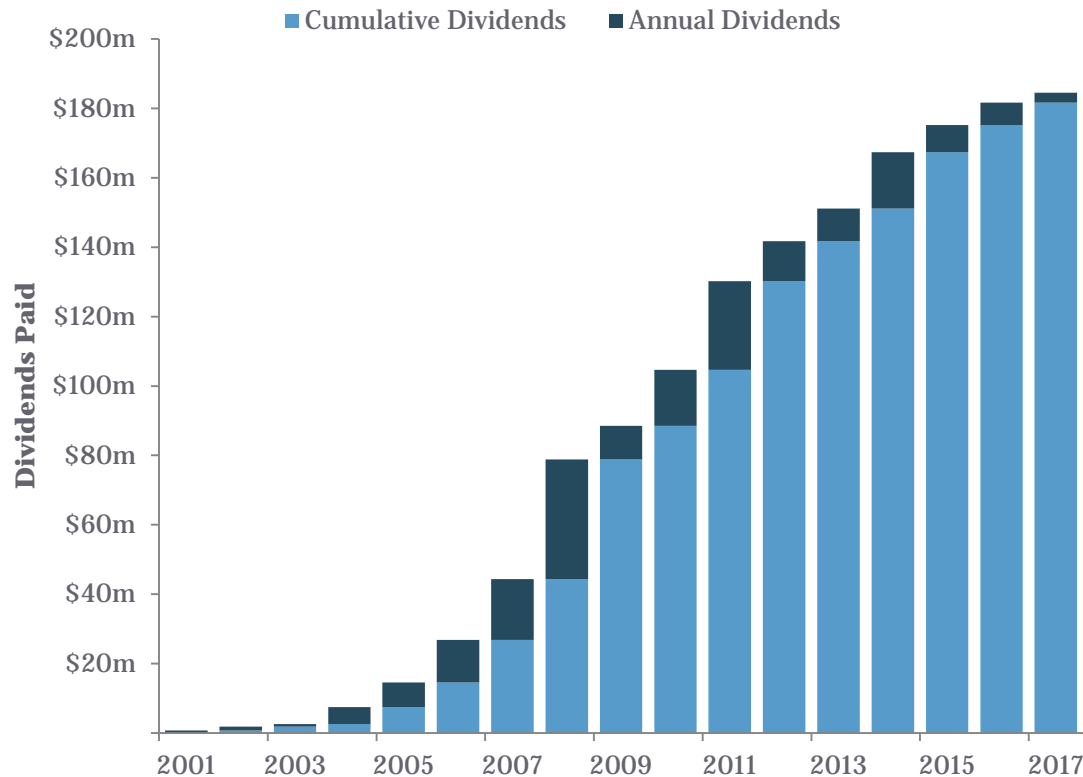
High staff ownership = strong alignment with shareholders

- Strong past correlation to resource markets (Small Resources Index)
- Strategy is to increase new diverse revenue streams whilst maintaining traditional upside leverage to resources



Maintain traditional strengths while building new revenue streams

Euroz has paid \$185m fully frank dividends over 16 years



Past:

- Paid \$185m dividends over 32 consecutive halves
- High payout ratio

Future:

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

Strong dividend history reflects strong cash flow and minimal capex

Euroz Securities - 16 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 seven 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

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

Corporate Finance

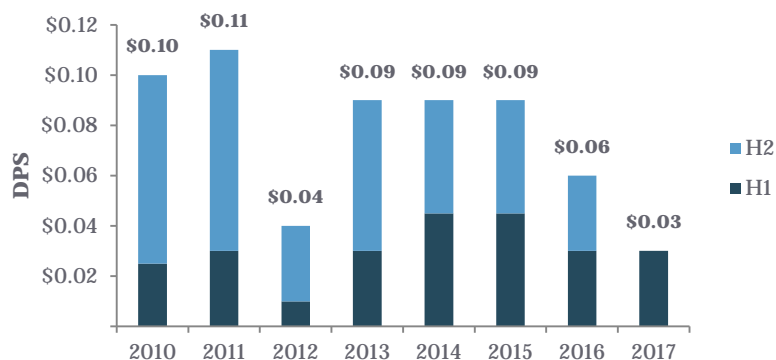
- Specialised corporate advisory services
- Euroz ranked Number 1 according to WA Business News for WA based equity raises - \$1,008.5 m rolling year to date

Long term strategy: Leverage deal flow in WA related companies through high quality research, dealing and corporate finance services

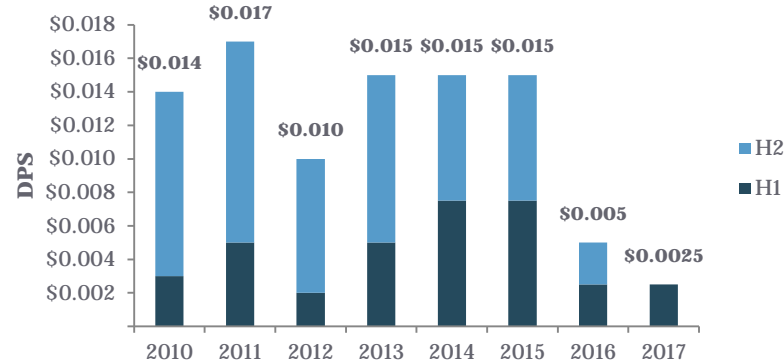
Westoz Funds Management – Western Australian connected investment opportunities

- 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 \$31.7m¹ in dividend income to Euroz Limited since inception
- Euroz owns 26.3% of WIC and 38.8% of OZG¹
- Investment objective of both portfolios is to generate consistent positive returns over medium long term

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

Note 1: As at 31 December 2016

Prodigy Investment Partners - launching a series of separate boutique funds

- Prodigy Investment Partners (**Prodigy**) is an 80%-owned joint venture between Euroz Limited and former MLC CEO Steve Tucker
- The first of these new boutique fund management partnerships was announced in July 2015 – with Flinders Investment Partners (**Flinders**) and subsequently Dalton Street Capital (**DSC**) was launched in May 2016

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 Independent Investment Research and "Investment grade" rating from Zenith and Lonsec

DALTON STREET CAPITAL

- DSC is a quantitatively driven absolute return manager, using strategic and tactical investment strategies, seeking to deliver superior absolute returns uncorrelated to major asset classes
- DSC's strategy is aimed at giving investors access to strong absolute returns through different market cycles
- The DSC strategy has a 12-year track record of producing positive investment returns over various market cycles
- DSC is headed by Alan Sheen and Nick Selvaratnam. Before joining Prodigy, Alan and Nick worked together at Credit Suisse where Alan was Head of Proprietary Trading and Nick was Head of Equities

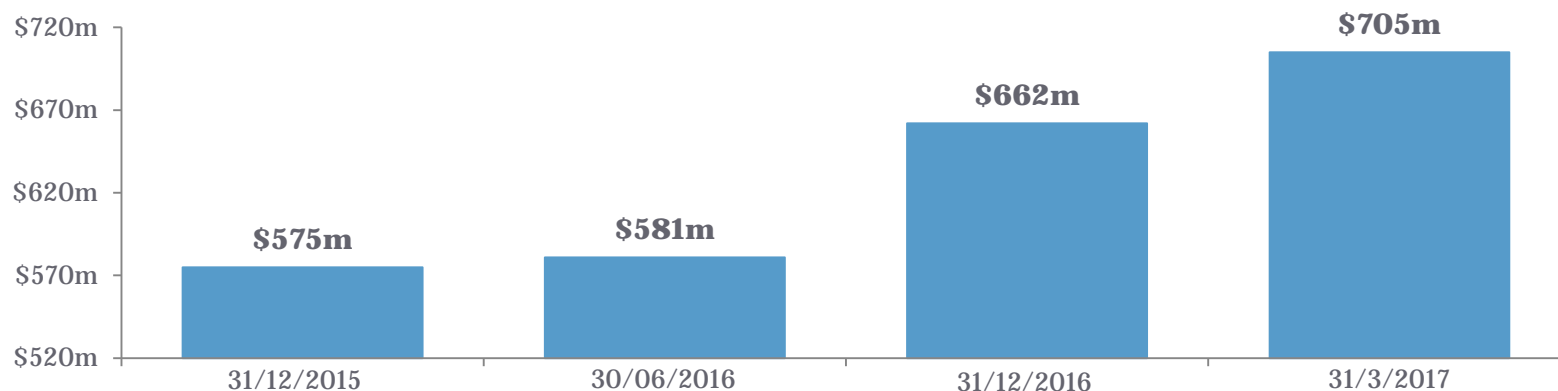
Long term strategy: provide a steady base of diverse ongoing management fee revenues with potential performance fee upside

Note 1:Inception date is 30 September 2015

Entrust Private Wealth Management - 13 year track record

- Combines its deep knowledge of financial planning and portfolio management with its portfolio administration service to create a comprehensive wealth management solution for each individual client
- Euroz acquired Entrust Private Wealth Management (**Entrust**) in July 2015
- The strategy in acquiring Entrust is 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 \$705m

Entrust FUM



Long term strategy: Grow FUM through organic growth and attracting external wealth advisors to join our wealth platform

Short term profitability driven by strong equity capital markets activity and increases in WIC and OZG share prices

Euroz Securities
equity raisings
\$510m



**WIC investment
performance**

18.2%



21.8%

OZG investment
performance



Group FUM up
in 6 months to
\$1,143m



Net profit after tax

\$13.2m



Euroz ranked number 1 by



for WA based equity capital raising in 2016

	Business attributes		
	Base Dividend	Dividend Upside	Market Rating/EV
<p>Stockbroking and Corporate Finance</p> <ul style="list-style-type: none"> Daily brokerage turnover provide a <u>base</u> of revenues <u>High impact</u> (but cyclical) transactional fee upside (ECM/M&A) 	✓	✓	
<p>Wealth Management</p> <ul style="list-style-type: none"> Growing recurring base fee revenue as funds under management increase A platform to attract and acquire new wealth managers 	✓		✓
<p>Funds Management</p> <ul style="list-style-type: none"> Growing recurring base fee revenue as funds under management increase Increased opportunity for high impact performance fees from a diversified range of funds 	✓	✓	✓
Strategy: Building diverse revenue streams			

- The major driver of past dividends have been Corporate Finance (equity capital market and M&A) fees and Funds Management (WIC and OZG) performance fees
- ECM and performance fees have typically occurred together in strong resource markets (2007, 2008, 2010, 2011)

Strategy: Grow the base level of dividends by building more diverse recurring revenue streams while maintain exposure to an increase range of high impact performance and transactional fees



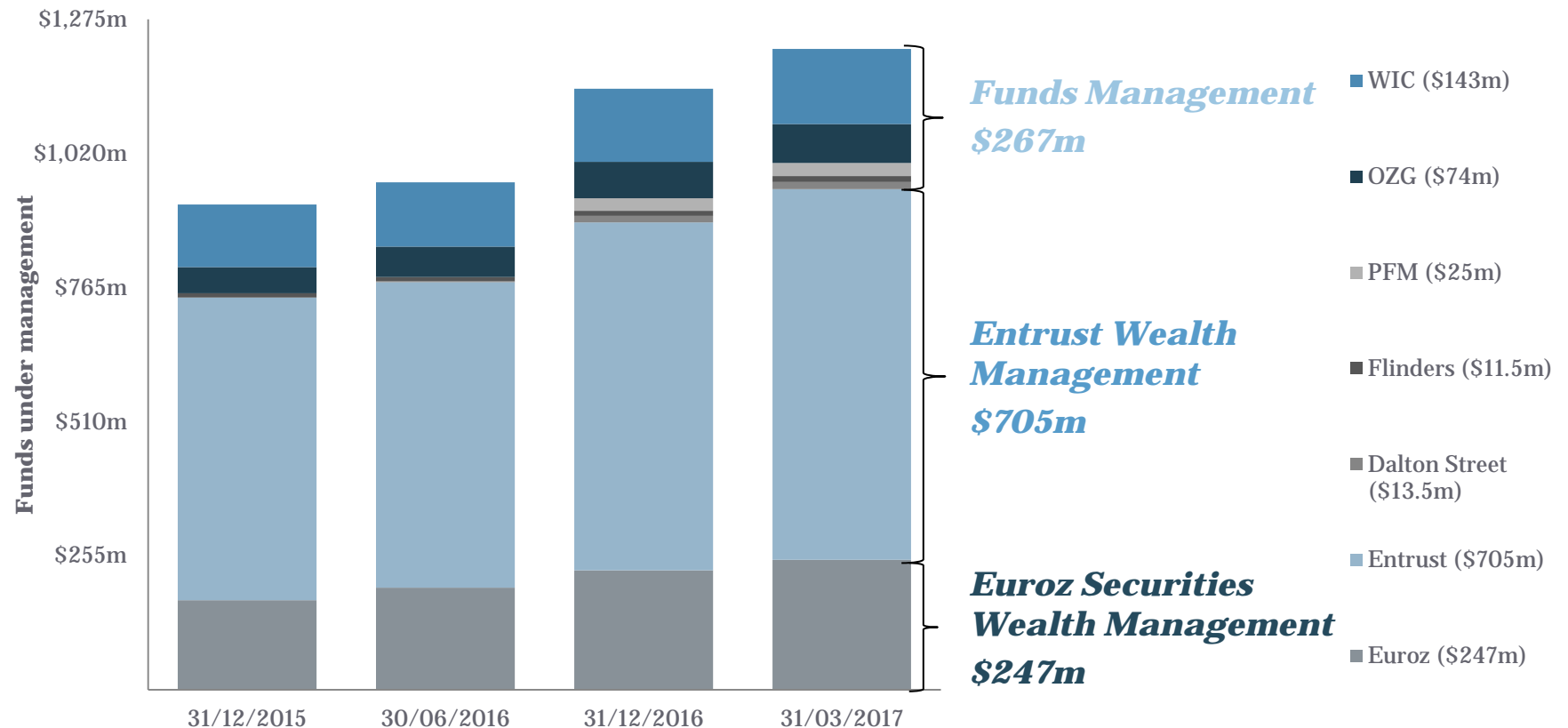
- Strong balance sheet/zero debt
- Deploying modest capital into Prodigy Funds Management
- Market Valuation: \$68-78m enterprise value for eight brands across three major business divisions

	Cost	Market	Look through value ¹
Westoz	\$38.4m	\$34.1m	\$38.5m
Ozgrowth	\$27.3m	\$24.3m	\$29.5m
Flinders Investment Partners	\$6.1m	\$7.0m	\$7.0m
Dalton Street Capital	\$2.0m	\$2.0m	\$2.0m
Other Investments	\$4.8m	\$6.5m	\$6.5m
Cash	\$42.4m	\$42.4m	\$42.4m
Total	\$121.0m	\$116.3m	\$125.9m
<i>Cash and investments per share</i>		<i>\$0.74</i>	<i>\$0.80</i>
Market Capitalisation as at 31 Mar 2017 (\$1.24/share)		\$194.5m	\$194.5m
Enterprise Value as at 31 March 2017		\$78.2m	\$68.6m

Note 1: WIC and OZG valued at NTA

Funds Under Management

Strong organic FUM growth from a diverse range of businesses



Group FUM of \$1.22 billion

Euroz Limited is a growing and diversified financial services company

A robust & growing
balance sheet



Diversification
strategy
underway

WA &
commodity
prices
improving



Ranked #1
in WA based
equity capital
raisings¹



Ranked #4 in
1Q CY17 National
ECM League
Tables **dealogic**



Established
track record
provides solid
platform for
growth

Source 1: WA Business News iQ

Disclaimer & Disclosure

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

Thank you

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