

## Chariman's Address to 2018 AGM

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**Mr Jeffrey Browne**  
**Chairman, Moelis Australia Limited**

Good morning ladies and gentlemen. My name is Jeffrey Browne and I am the Chairman of your company.

I'd like to begin today by acknowledging that the land we are meeting on is land that was traditionally under the custodianship of the Gadigal people of Eora nation.

I pay my respects to elders past and present and also bid warm welcome to any first Australians with us this morning.

On behalf of my fellow directors, I would like to welcome you all to our inaugural Annual General Meeting, the 2018 Annual General Meeting of Moelis Australia Limited.

Moelis Australia commenced operations in Australia in 2009. In 2017 Moelis Australia listed on the Australian Securities Exchange. In the 2017 Financial Year we reported underlying revenue of \$107.2 million, up 73% on 2016. This translated to underlying EBITDA of \$41.6 million which was up 111% on 2016. Pleasingly, in parallel with increasing revenue we were able to increase our underlying EBITDA margin to 39% from 32% in 2016. This is a result of a combination of the benefits of increased scale and cost discipline. We achieved underlying NPAT of \$29.1 million up 111% on FY16 and paid a dividend to shareholders of 7 cents per share. Notably, our operational cash flow was 102% of our Underlying EBITDA reflecting the strong cash generation of the business.

At the time of our IPO in April 2017, Moelis Australia had net assets of \$59 million. As of today, net assets stand at approximately \$215 million, including \$85 million of cash and \$30 million of tradeable securities. I am pleased that we continue to deliver on our strategy of growing revenue, with a strong focus on earnings per share, and at the same time building our tangible asset base. A strong balance sheet remains a competitive advantage for Moelis Australia.

Our Asset Management division continues to grow strongly and by the end of 2017, Asset Management's EBITDA contribution to the group of \$21.1 million represented 51% of group EBITDA, up from 36% in 2016. We increased our assets under management to \$2.9 billion up from \$1.1 billion at the end of 2016. This AUM growth provides a solid platform for increasing our recurring revenue streams.

Our Corporate Advisory & Equities division performed very well in 2017. Revenue was \$63.8 million up 38% on 2016 and pleasing productivity per executive was \$1.5 million per head.

In addition to our business initiatives, we are proud to have established the Moelis Australia Foundation. The Foundation supports community initiatives that align with our culture and the philanthropic interests of our Board and staff. The Independent Chairman of the Foundation is Mr Mark Nelson who is a founder and Chairman of the Caledonia Investment Group and a director of The Caledonia Foundation. Mark sits on many not for profit boards and is very active in philanthropic initiatives across Australia.

At the end of 2017 many of our staff members elected not to be considered for some or all of their annual bonus that they might otherwise have been awarded. In recognition of this, Moelis Australia chose to donate \$2.4 million to the Foundation. The Foundation is distributing these funds to a variety of charities, selected in consultation with staff.

On behalf of the Board, I would like to thank staff for their hard work across the group and equally to shareholders for your ongoing support of the business. We look forward to another fruitful year in 2018.