

ASX ANNOUNCEMENT

Moelis Australia to Undertake Selective Share Buyback from Moelis & Company of 5.1% of Issued Shares

Moelis Australia Limited (ASX:MOE, “MOE” or “the Company”) today announces it has entered into a binding buyback agreement with Moelis & Company (NYSE:MC or “M&C”) to purchase 8 million MOE shares from M&C via a selective buyback at a price of \$3.40 per share (\$27.2 million) (“Buyback”). This represents approximately 5.1% of MOE’s issued share capital and will be subject to MOE Shareholder approval at an EGM to be held in the coming months.

In conjunction with the Buyback, M&C has sold 12.5 million MOE shares at \$3.40 per share (“Share Sale”) to public market investors and the Moelis Australia Employee Share Trust (“Employee Trust”). The Employee Trust acquired 2 million MOE shares from M&C to satisfy prior and future period share grants to Moelis Australia employees under the terms of its equity incentive plan (“Share Plan Purchase”). M&C’s Share Sale represents approximately 8.0% of MOE’s issued capital (prior to the Buyback).

Following implementation of the Buyback, M&C’s share ownership in Moelis Australia will be 19.98%. There will be no change to the Moelis Australia board composition and the strategic alliance in Corporate Advisory services between M&C and Moelis Australia remains unchanged.

In addition to the Buyback and Share Sale, the trustee of one of the pre-IPO ownership trusts (which holds shares on behalf of approximately 30 executives) sold an additional 3.35 million shares to public market investors at \$3.40 per share, the same price as the M&C Share Sale.

The Buyback and sale price of \$3.40 per share represents a 6.6% discount to the 30-day volume weighted average price for MOE shares up to and including 2 September 2019. The proposed \$27.2 million Buyback consideration and Share Plan Purchase will be funded from MOE’s existing cash holdings which currently sit at approximately \$120 million.

Moelis Australia staff continue to have a significant interest in the Company. Moelis Australia staff will hold over 52 million MOE shares (representing approximately 35.5% of issued capital post implementation of the Buyback). These shares are largely held through two pre-IPO ownership trusts, the Employee Trust and by senior executives who have joined Moelis Australia since its listing.

Benefits of the Buyback and share sales

The Buyback and share sales will provide significant benefits to Moelis Australia and its shareholders, including:

- An approximate 26.7% increase in free float which should benefit market liquidity on the ASX;
- Expected earnings-per-share accretion of approximately 5% on a full year basis;
- Moelis Australia will cease to be regarded as a foreign corporation under Australian law which provides benefits of reduced costs, administrative burden and improved corporate flexibility; and
- Acquiring shares to satisfy prior and future staff share compensation awards at what management considers an attractive acquisition price.

Process

The Buyback is subject to Moelis Australia shareholder approval at an Extraordinary General Meeting (“EGM”) and an independent expert providing an opinion that the Buyback is fair and reasonable to all MOE shareholders (other than M&C and its associates). Shareholders will be advised in the coming weeks regarding the details of the EGM. Moelis & Company and its associates will not be eligible to vote on the Buyback.

Moelis Australia’s Board of Directors recommends that eligible shareholders vote in favour of the selective buyback, subject to the independent expert concluding that it is fair and reasonable to shareholders (excluding Moelis & Company and its associates). Ken Moelis and Joe Simon, who are executives of Moelis & Company, abstained from voting.

Summary Comments

Moelis Australia CEO Andrew Pridham said the combined transaction would deliver all shareholders in Moelis Australia a range of benefits, and, in particular, enhancing earnings-per-share on a full year basis in the order of 5% and a material increase in the free float of MOE shares on the ASX. Further, as Moelis & Company's interests will fall below 20%, Moelis Australia will no longer be considered a foreign corporation. Being considered a domestic corporation has benefits relating to reduced costs and greater administrative flexibility when acquiring assets directly or on behalf of managed funds.

"The combined transaction is of strategic importance benefitting all Moelis Australia shareholders. Improving the market liquidity in the trading of our shares has been an issue of focus for some time. Further, the cash generative nature of our business has seen us accumulate a large cash holding over time. A buyback of shares is a sound use of a portion of our capital." Mr Pridham said.

Mr Ken Moelis, Chairman and CEO of Moelis & Company said "Our partnership with Moelis Australia is in its 10th year and remains as strong today as it did at inception. While we have reduced our holding, we remain the largest individual shareholder which demonstrates our continued alignment of interests..

This transaction provides Moelis & Company with additional capital for uses including the ongoing repurchase of Moelis & Company shares."

ENDS