



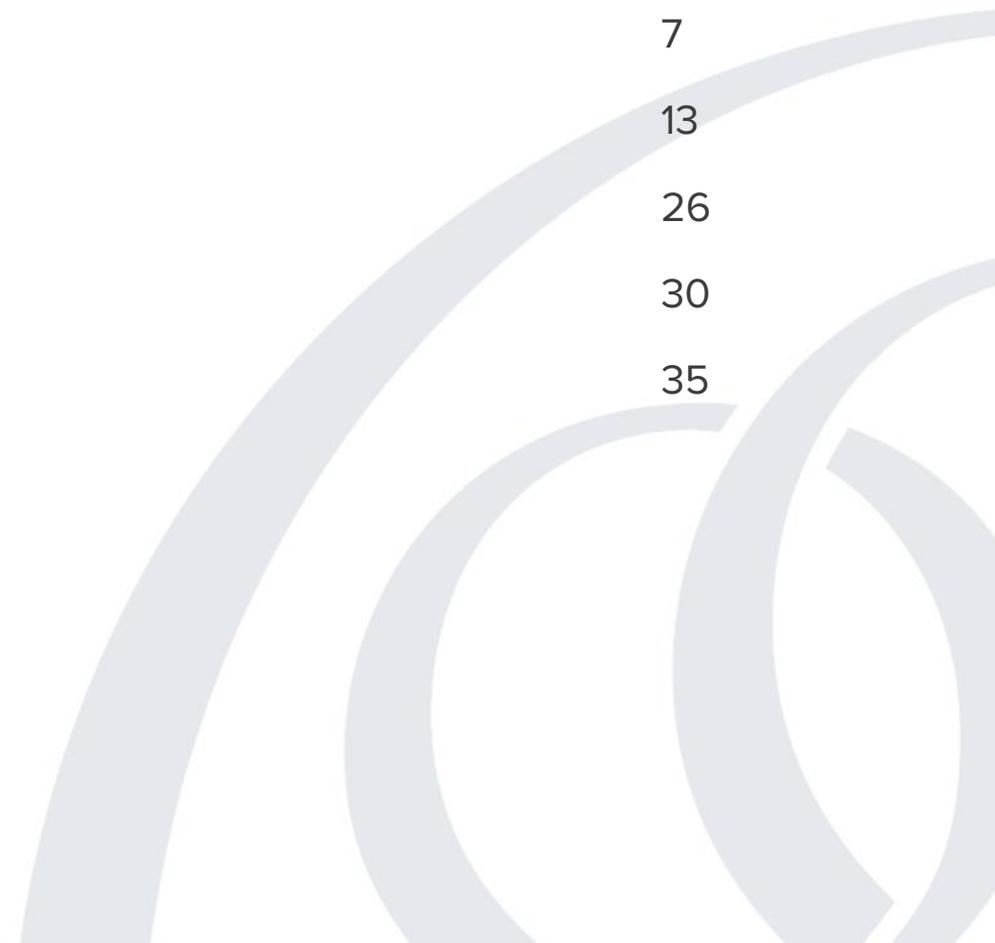
**2019 FULL YEAR RESULTS PRESENTATION**

FEBRUARY 2020



# TABLE OF CONTENTS

|      |                                |    |
|------|--------------------------------|----|
| I.   | FY19 Results & Highlights      | 3  |
| II.  | Business Outlook 2020 & Beyond | 7  |
| III. | Asset Management               | 13 |
| IV.  | Corporate Advisory & Equities  | 26 |
| V.   | FY19 Financials                | 30 |
| VI.  | Appendices                     | 35 |



# Explanation of Underlying Measures in this Presentation

Moelis Australia utilises non-IFRS “Underlying” financial information in its assessment and presentation of Company performance. In particular the Company references Underlying Revenue, Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”), Underlying Earnings Per Share (“EPS”) and Underlying Net Profit After Tax (“NPAT”).

Moelis Australia place great importance and value on the IFRS measures. As such, Moelis Australia believe that, when read in conjunction with the IFRS measures, the Underlying measures are useful to the reader as:

- The Underlying measures, which have been consistently presented in all financial disclosures since listing on the ASX in April 2017, reveal the underlying run rate business economics of the Company;
- The Underlying measures reveal the underlying run rate business economics of the Company;
- The Underlying measures are used by management to allocate resources and make financial, strategic and operating decisions. Further, all budgeting and forecasting is based on Underlying measures. This provides insight into management decision making; and
- The Underlying adjustments have been consistently applied in all reporting periods, regardless of their impact on the Underlying result.

The Underlying financial information is not prepared in accordance with Australian Accounting Standards (“AASB”) and International Financial Reporting Standards (“IFRS”) and is not audited. Adjustments to the IFRS information align with the principles by which the Company views and manages itself internally and consist of both differences in classification and differences in measurement.

## *Notes on Underlying Approach*

The calculation of the Underlying measures aligns with the approach required by AASB 8 Segment Information and detailed in the disclosures in Note 3 Segment Information of the Full Year Report.

In order to arrive at the Underlying measures, the Company makes a number of adjustments to the IFRS measures which give rise to differences in classification and differences in measurement. A detailed reconciliation and explanation of these adjustments is included on pages 32 and 33 of this presentation.

Differences in classification arise because the Company chooses to classify some IFRS measures in a different manner to that prescribed by IFRS.

Differences in measurement principally arise where the Company prefers to use non-IFRS measures to better:

- Align with when management has greater certainty of timing of cash flows;
- Regulate the variability in the value of key strategic assets, specifically the investment in Japara Healthcare Limited;
- Normalise for the impacts of one-off transaction costs; and
- Recognise staff share-based bonus expense when granted as opposed to over the vesting period.

# FY19 RESULTS & HIGHLIGHTS



## FY19 Results

| Statutory Results         | FY18     | FY19     | Growth  |
|---------------------------|----------|----------|---------|
| Revenue <sup>1</sup>      | \$143.2m | \$153.7m | 7.3%    |
| EBITDA <sup>2</sup>       | \$56.2m  | \$52.0m  | (7.5)%  |
| Net profit after tax      | \$30.5m  | \$23.5m  | (23.1)% |
| Earnings per share        | 20.0¢    | 15.5¢    | (22.5)% |
| Dividend per share        | 8.0¢     | 10.0¢    | 25.0%   |
| Cash and cash equivalents | \$86.7m  | \$128.8m | 48.6%   |

| Underlying Results        | FY18     | FY19     | Growth |
|---------------------------|----------|----------|--------|
| Revenue                   | \$136.3m | \$158.3m | 16.2%  |
| EBITDA                    | \$59.8m  | \$63.5m  | 6.1%   |
| Net profit after tax      | \$39.3m  | \$40.2m  | 2.1%   |
| Earnings per share        | 25.7¢    | 26.5¢    | 3.1%   |
| Dividend per share        | 8.0¢     | 10.0¢    | 25.0%  |
| Cash and cash equivalents | \$86.7m  | \$128.8m | 48.6%  |

- Owing to the nature of our business, and in particular our asset management activities and share based compensation plans, statutory results have become more complex to interpret for some readers and do not necessarily present management's view of underlying business performance. For this reason we also provide Underlying measures along with a detailed reconciliation of adjustments made between Statutory and Underlying measures.

**When reading our FY19 Statutory and Underlying results, the most significant adjustments are:**

- A \$6.4m performance fee relating to our management of Redcape Hotel Group. This fee was included in the FY18 Statutory result but not recorded as Underlying Revenue until FY19, reflecting our conservative view on the timing of recognising performance fees

- A non-cash \$5.0m share of an accounting loss associated with accounting for developments in Infinite Care, a fund managed by Moelis Australia. This accounting treatment does not relate to the underlying value of the Fund or our co-investment
- A \$2.2m gain on the sale of our 50% interest in a boutique asset management business. This gain was recorded in our FY18 Statutory result but not recorded as Underlying Revenue until FY19 following completion of the sale and receipt of cash proceeds which occurred in early 2019

**Please refer to page 32 and 33 for a detailed reconciliation between the Statutory and Underlying measures**

## FY19 Highlights

### Strong Financials

- Record Underlying Group revenue of \$158.3m (+16% on FY18)
- Record Underlying EBITDA of \$63.5m (+6% on FY18)

### Asset Management

- Assets Under Management ("AUM") growth of 32%, +\$1.2 billion to \$4.9 billion. Key investment focus on real estate and credit
- Promising progress in scale of credit origination platforms such as legal disbursement financing and private credit
- Significant inflows and growing strength in foreign high net worth client distribution channels

### Corporate Advisory & Equities

- Underlying Revenue of \$61.7m (up 20% on FY18). Record second half and strong momentum in early FY20
- Second half of FY19 saw 18 ECM transactions, including eight IPO's, raising over \$2.2 billion for clients

### Talent

- Material investment in people. Key strategic hires in most areas of the business represents an investment in future growth

### Capital management

- Prudent capital management with successful buy-back of 8 million shares at \$3.40 per share
- Strong capital position should help drive growth. Average cash balance in FY19 of \$110m and year end cash balance of \$129m (+48% on \$87m in FY18)

### Dividend

- Declaration of a fully franked dividend of 10 cents per share, an increase of 25% on FY18
- The dividend record date is 27 February 2020 with payment expected on 4 March 2020

## **FY19 – Ongoing Investment for Growth**

Continued investment in talent for business strength and long-term growth

### **Asset Management**

- Moelis Australia commenced its operations in Asset Management in 2013. We have grown AUM over this time from zero to ~\$5 billion today by constantly investing in people and infrastructure
- FY19 investment in people and infrastructure increased operating expenditure but also increased capability and platform capacity
- It is essential that we continue to invest in people and infrastructure to continue our growth. The pace of cost growth should moderate as core Asset Management strategies achieve desired scale
- Pleasingly, FY19 base management fees grew by 21% compared with FY18. However, overall in FY19 Operating Expenditure in our Asset Management business increased by 31% compared with an overall increase in Underlying Revenue of 14%. The majority of the increased Operating Expenditure relates to hiring executives focused on revenue generation
- Revenue will lag expense as new hires and newly created Funds take time to reach full productivity. However, these investments follow our longstanding and successful strategy of investing in growth whilst maintaining attractive profit margins

### **Corporate Advisory & Equities**

- 3 new Managing Directors and associated teams already delivering results and greater client reach
- Strong Equity Capital Markets (“ECM”) performance, enhancing our track record and market presence
- Despite this significant growth we maintained revenue productivity in the middle of our target range of \$1.1m - \$1.3m per executive

**BUSINESS OUTLOOK  
2020 & BEYOND**



# Outlook

|  | FY2020 (near-term)   | Beyond 2020 (medium-term)  |
|--|--|--|
| <b>Asset Management</b>                  | <ul style="list-style-type: none"> <li>• Net increase in AUM in the year to date FY20 has been approximately \$150m including settlement of The Beach Hotel, Byron Bay</li> <li>• Already recorded performance fee of \$2.4m in FY20 from the realisation of a fund that returned investors an IRR after fees of 20% p.a. over a circa 5-year period</li> <li>• Pipeline from Foreign High Net Worth investors is strong</li> <li>• Some of our managed Funds have significant cash available to deploy into real estate and other investments</li> <li>• Growth in investor flows into our core credit funds and market share in origination platforms such as legal disbursement lending is promising</li> </ul> | <ul style="list-style-type: none"> <li>• Focus on growing scalable managed funds with current focus on Real Estate and Credit</li> <li>• The Commonwealth Government is undertaking a review of the terms of its Business and Investor Visa programme. This is the third review of its terms since its introduction in 2012. The review is framed as asking the question <i>“can Australia get a better deal”</i></li> <li>• Asset Management rebranding to better reflect our evolving focus and business activities</li> </ul> |
| <b>Corporate Advisory &amp; Equities</b> | <ul style="list-style-type: none"> <li>• Corporate Advisory &amp; Equities revenue recognised thus far at this early stage of FY20 is above that at the comparable time in FY19 and the pipeline for further revenue is strong</li> </ul>  | <ul style="list-style-type: none"> <li>• FY19’s senior hires are performing well and should improve productivity over time</li> </ul>  |
| <b>Corporate</b>                         | <ul style="list-style-type: none"> <li>• Hiring of new executives should continue at a slower rate as we consolidate investment in hires from FY19</li> <li>• We are actively exploring growth opportunities related to our credit platform. We continue to explore opportunities to leverage our asset management expertise into offshore select markets</li> <li>• Seeding new Fund initiatives to develop track record in new investment strategies or co-invest alongside clients</li> </ul>   | <ul style="list-style-type: none"> <li>• We have a keen focus on EBITDA margins</li> <li>• We are constantly evaluating ways to deploy our large cash balance. We are focused on maintaining our practice of patience and discipline in how our capital is allocated</li> <li>• Focus on organic growth but open to attractive corporate opportunities should they present</li> </ul>  |

## Changes to Management and Board

- Andrew Pridham, Co-Founder and CEO since 2009 appointed Group Vice Chairman. He continues an active Executive role and as a Director of Moelis Australia Limited. Focus to be on clients, revenue generation, talent identification & development and business growth
- Julian Biggins and Chris Wyke, co-founders of Moelis Australia, to be appointed Joint CEOs
- Chris Wyke will also be appointed to the Board of Moelis Australia Limited
- Moelis Australia Limited Board to consist of Jeffrey Browne (Independent Chairman), Ken Moelis (Non-Executive Director), Joseph Simon (Non-Executive Director), Andrew Pridham (Group Vice Chairman & Executive Director), Julian Biggins (Joint CEO & Executive Director) and Chris Wyke (Joint CEO & Executive Director)
- Looking to expand the Board with a focus on diversity and independence

# Board of Directors



**Jeffrey Browne**  
**Independent Chairman**

- Chairman since February 2017
- Previously Chairman of carsales.com.au (ASX:CAR)
- Previously senior executive and managing director at Nine Network Australia (2006-2013)



**Kenneth Moelis**  
**Non-Executive Director**

- Chairman and CEO of Moelis & Company (NYSE:MC)
- Prior to founding Moelis & Company, Ken was President of UBS Investment Bank



**Joseph Simon**  
**Non-Executive Director**

- Joe is the CFO of Moelis & Company (NYSE:MC) serving in that role since joining in 2010
- Joe has over 25 years of experience as a senior manager of financial controls, operations and strategy



**Andrew Pridham AO**  
**Group Vice Chairman**

- Executive Director
- Co-founded Moelis Australia
- Former Executive Chairman of Investment Banking at J.P. Morgan
- Former Head of Investment Banking Australasia at UBS
- Chairman of Sydney Swans FC



**Julian Biggins**  
**Joint CEO**

- Executive Director
- Co-founded Moelis Australia
- Previously senior member of J.P. Morgan real estate Investment Banking



**Chris Wyke**  
**Joint CEO**

- To be appointed to the Board
- Co-founded Moelis Australia
- Previously senior member of J.P. Morgan Investment Banking

# Executive Committee



**Andrew Pridham AO**  
**Group Vice Chairman**

- 30 yrs experience
- Co-founded Moelis Australia
- Director – Moelis Australia Limited & Moelis Australia Foundation



**Julian Biggins**  
**Joint CEO**

- +20 yrs experience
- Co-founded Moelis Australia
- Real Estate specialisation
- Director Moelis Australia Limited



**Chris Wyke**  
**Joint CEO**

- +20 yrs experience
- Co-founded Moelis Australia
- Restructuring advisory and Structured Credit specialisation
- To be Director of Moelis Australia Limited and Director of the Moelis Australia Foundation



**Andrew Martin**  
**Head of Asset Management**

- 30 yrs experience
- Established Moelis Australia Asset Management Division in 2013
- Former MD at UBS Global Asset Management and prior experience in investment banking, law and government



**Simon Scott**  
**Head of Equities**

- +20 yrs experience
- Previously at Credit Suisse, Citigroup and Goldman Sachs specialising in Real Estate equities research and ECM



**Janna Robertson**  
**Chief Operating Officer**

- +20 yrs experience
- Previously a partner at Deloitte specialising in transformation, restructuring and operations



**Graham Lello**  
**Chief Financial Officer**

- +20 yrs experience
- Previously CFO and Executive Director of Redcape Hotel Group



**Dan Brady**  
**CEO Moelis Australia Hotel Management**

- +20 yrs experience
- CEO Redcape Hotel Group and Hotel sector specialisation

## **Building Talent & Culture – The Moelis Academy**

A core strength of Moelis Australia's strategy has been to hire, develop and retain motivated and talented team members. We continue to experience great success in this area

- Hiring team members who have high integrity and are ambitious, optimistic and intelligent is critical to our long-term success. By developing the capability of our people over time we reinforce, build and evolve our positive culture
- Given the increased scale of our Company, as evidenced by the material growth in staff numbers since IPO (up over 125 FTEs), we intend to materially increase our focus on staff development
- We have established The Moelis Academy which will consolidate all of our internal training and intern programmes. In addition, we are significantly upgrading our focus on mentoring and formal practical industry specific training of our executives
- Moelis Australia already invests considerable resources into the development of its staff. The Moelis Academy seeks to be an industry leading staff development programme. We believe it will assist in recruitment, development and retention – making us a better Company over time
- Reflecting our view of the importance of talent development Andrew Pridham will drive The Moelis Academy as part of his role as Group Vice Chairman
- The Moelis Academy programme will provide our staff with structured teaching, utilising the talents and industry experience of senior Executives at Moelis Australia and Moelis & Company, in addition to highly credentialed external contributors

# ASSET MANAGEMENT



## Asset Management Performance

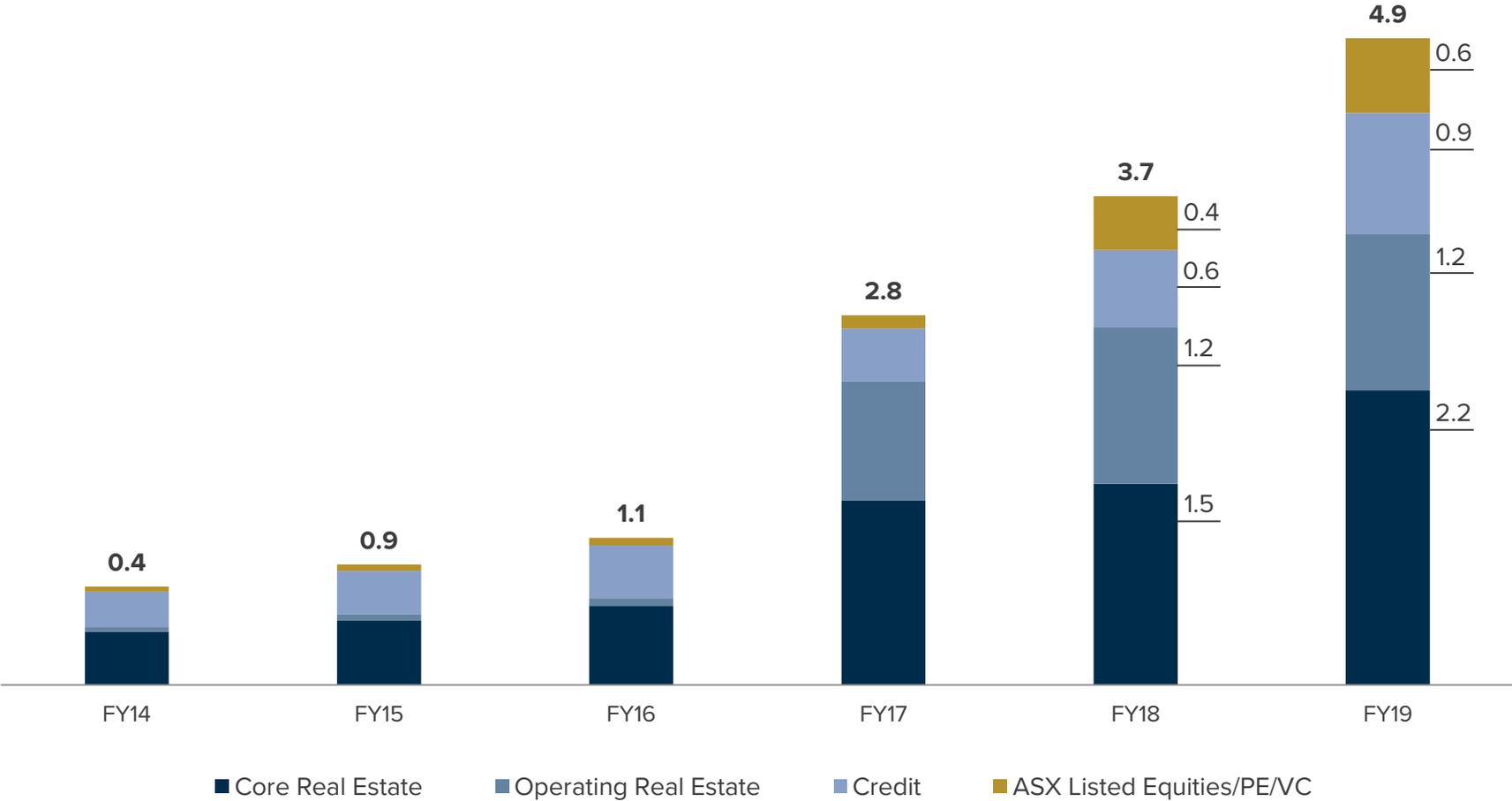
| Underlying Financials (\$m)     | FY18        | FY19        | Growth       |
|---------------------------------|-------------|-------------|--------------|
| Base Management Fees            | 45.8        | 55.5        | 21.1%        |
| Principal Investments Income    | 13.6        | 16.0        | 17.3%        |
| <b>Total Recurring Revenue</b>  | <b>59.5</b> | <b>71.5</b> | <b>20.2%</b> |
| Transaction Fees                | 8.6         | 8.5         | (1.2)%       |
| Performance Fees                | 8.4         | 9.1         | 7.8%         |
| Mark-to-Market of Investments   | 8.3         | 7.6         | (8.1)%       |
| <b>Total Underlying Revenue</b> | <b>84.8</b> | <b>96.7</b> | <b>14.0%</b> |
| Expenses                        | 31.3        | 41.0        | 27.8%        |
| <b>Underlying EBITDA</b>        | <b>53.5</b> | <b>55.7</b> | <b>4.2%</b>  |

### Highlights

- **Net AUM growth was \$1.2 billion (+32%) to \$4.9 billion**
  - Reflects client inflows less client redemptions and the sale and purchase of some managed assets
- **Key focus on Real Estate and Credit strategies**
  - Credit AUM growth of ~\$330m (+56% on FY18)
  - Real Estate AUM growth of ~\$700m (+40% on FY18)
- Investment in new team members across credit strategies, distribution and support will provide earnings growth but dilutes short-term operating margins
- We continue to see strong capital inflows from Chinese High Net Worth (“HNW”) clients both within and external to the Significant Investor Visa (“SIV”) programme

# Assets Under Management (\$ billion)

We manage assets for an increasingly diversified portfolio of institutional, domestic & foreign HNW and retail investors. Our core areas of focus are Real Estate and Credit



## Asset Management – Managed Funds

### Scale

- \$4.9 billion of AUM at 31 December 2019 (~\$5 billion at February 2020)

### Managed Fund Products

- We offer a range of investment Funds that have varying risk-weighted target returns and return profiles
- We focus on offering investment Funds with exposure to Real Estate and Credit. We are constantly evaluating how to develop new Funds that deliver what our clients are seeking for their investment portfolios

### Fund Performance

- Overall we are pleased with the performance of our managed assets
- Aged Care and Childcare have been challenging areas for us
- When challenges arise, we commit significant resources to resolve problems

### Challenges

- Our investment in ASX listed Japara Healthcare has performed poorly due to its industry dynamics. We remain of the view that the Aged Care sector presents significant opportunity despite current challenges. In FY19 we recorded and expensed \$4.5 million in relation to a loan we provided to a childcare development fund we manage. This loan was made to make available additional capital as we seek to restore value

# Managed Funds – Examples of Ongoing and Realised Assets

## Pleasant returns

**OPEN for subscriptions**



**Fixed Income Fund**  
Provides financing backed by consumer, commercial and accounts receivable loans  
**Target RBA cash rate + 4.0% p.a. paid monthly**

**REALISED 2020**



**Grand Hotel Fund**  
Single Asset Fund (Hospitality)  
**20% IRR after fees**  
Target 15% IRR after fees

**REALISED 2019**



**Oasis Hotel Fund**  
Single Asset Fund (Hospitality)  
**19% IRR after fees**  
Target 15% IRR after fees

**REALISED 2018**



**Senior Secured Credit Fund I**  
Opportunistic equipment and receivable backed loans (Structured Credit)  
**17% IRR after fees**  
Target 15% IRR after fees

**REALISED 2017**



**Braeside Asset**  
Part of Diversified Real Estate Fund (Commercial Real Estate)  
**23% IRR after fees**  
Target 14% IRR after fees

**OPEN for subscriptions**



**Secured Loan Series**  
Provides bridging finance backed by first mortgage real estate  
**Target 6.5%-7.5% p.a. paid monthly**

**REALISED 2019**



**Grey Street Asset**  
Part of Diversified Real Estate Fund (Commercial Real Estate)  
**17% IRR after fees**  
Target 11% IRR after fees

**REALISED 2018**



**Chatswood Rose Secured Loan Fund**  
Secured Property Finance (Senior Credit)  
**11% IRR after fees**  
Target 9% IRR after fees

**REALISED 2018**



**Simmonds Land Fund**  
Land Development (Senior Credit)  
**16% IRR after fees**  
Target 17% IRR after fees

**REALISED 2016**



**Healesville Shopping Centre Fund**  
Single Asset Fund (Retail Real Estate)  
**22% IRR after fees**  
Target 13% IRR after fees

## Credit

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Our Credit teams manage over \$900m across various credit strategies

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**\$380** MILLION  
**Fixed Income**  
established 2013

- Active management of various corporate bonds and fixed income products for HNW clients (flat on FY18)

**\$250** MILLION  
**Secured Loan Series**  
established 2017

- Provides bridging finance with real estate first mortgage backing (up \$130m on FY18)

**\$110** MILLION  
**Fixed Income Fund**  
established 2018

- Provides financing backed by consumer, commercial and accounts receivable loans (up \$100m on FY18)

**\$125** MILLION  
**Institutional Partnership**  
established 2018

- Provides construction financing for large residential development projects (up \$90m on FY18)

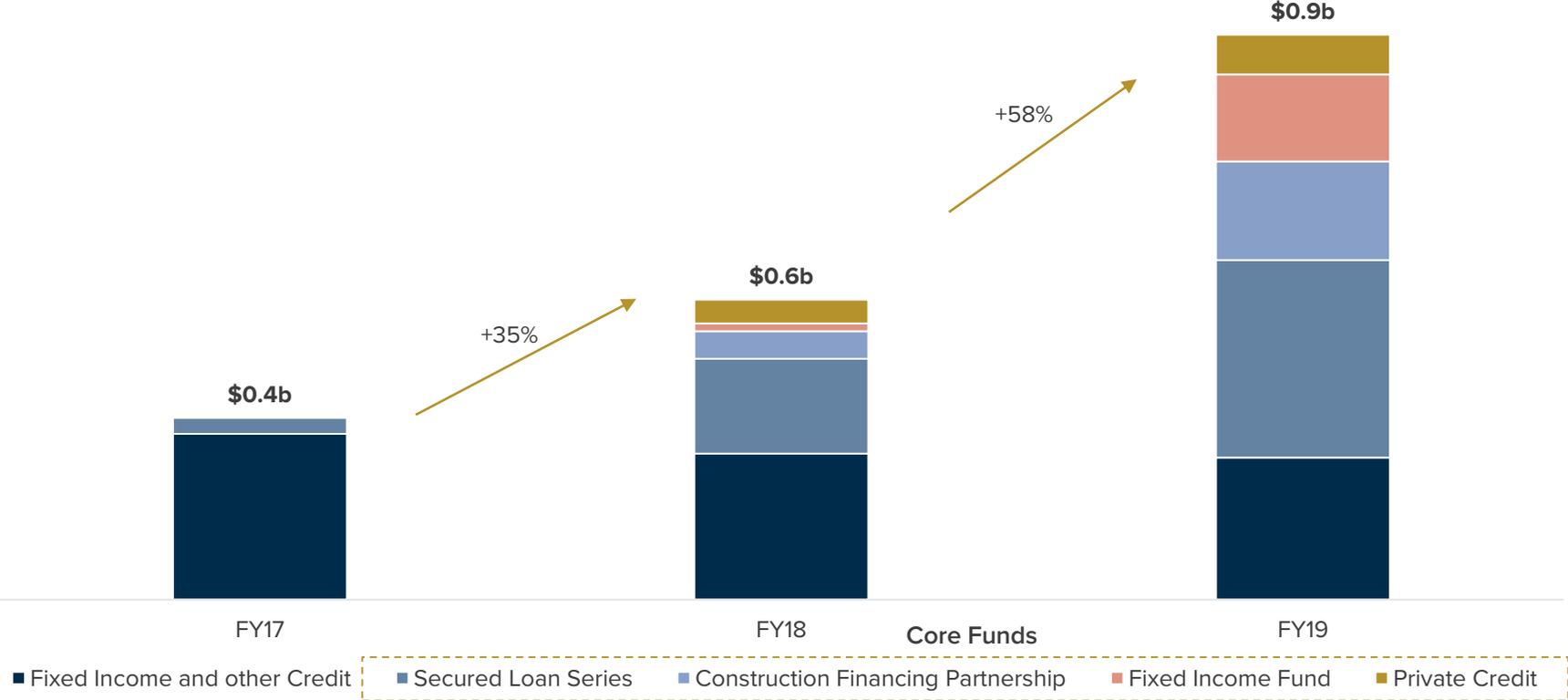
**\$50** MILLION  
**Private Credit Strategies**

- Provides financing to small and medium sized corporates, with loans backed by consumer, commercial and accounts receivable loans (up \$20m on FY18)
- The Moelis Australia Private Credit Fund (\$20m AUM) was established in 4Q19 and will provide investors with an open fund dedicated to this investment strategy

# Credit AUM Growth (\$ billion)

AUM growth across our core credit funds has been pleasing

Our three credit funds are open for subscription and rated “recommended plus” by independent research



## Real Estate

Our Real Estate teams manage **\$3.4 billion** across Operating Real Estate and Core Real Estate

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**\$1.2 BILLION**  
**Redcape**  
established 2014

- Redcape Hotel Group – ASX listed with a diverse portfolio of pubs located in NSW & Queensland.
- Redcape Hotel Group and its venues are managed by Moelis Australia Hotel Management (“MAHM”) (+4% on FY18)

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**\$30 MILLION**  
**MAHM – Grand Hotel Fund**  
established 2014

- Hospitality asset located in Rockdale, NSW
- Fund was realised in 1Q20 delivering investors a 20% IRR (after fees) and a performance fee of \$2.4m
- Asset was purchased for \$24.5m and realised for \$38.9m over a circa 5-year hold period

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**\$104 MILLION**  
**MAHM – Beach Hotel Fund**  
established 2020

- Iconic asset located in Byron Bay, NSW
- Completed in February 2020 (not included in reported AUM at 31 December 2019)

### Core Real Estate (\$2.2 billion)

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**\$1.8 BILLION**  
**Retail Real Estate**  
established 2012

- 8 shopping centres located in NSW, Victoria, SA and Canberra (Institutional and HNW clients) (+60% on FY18)

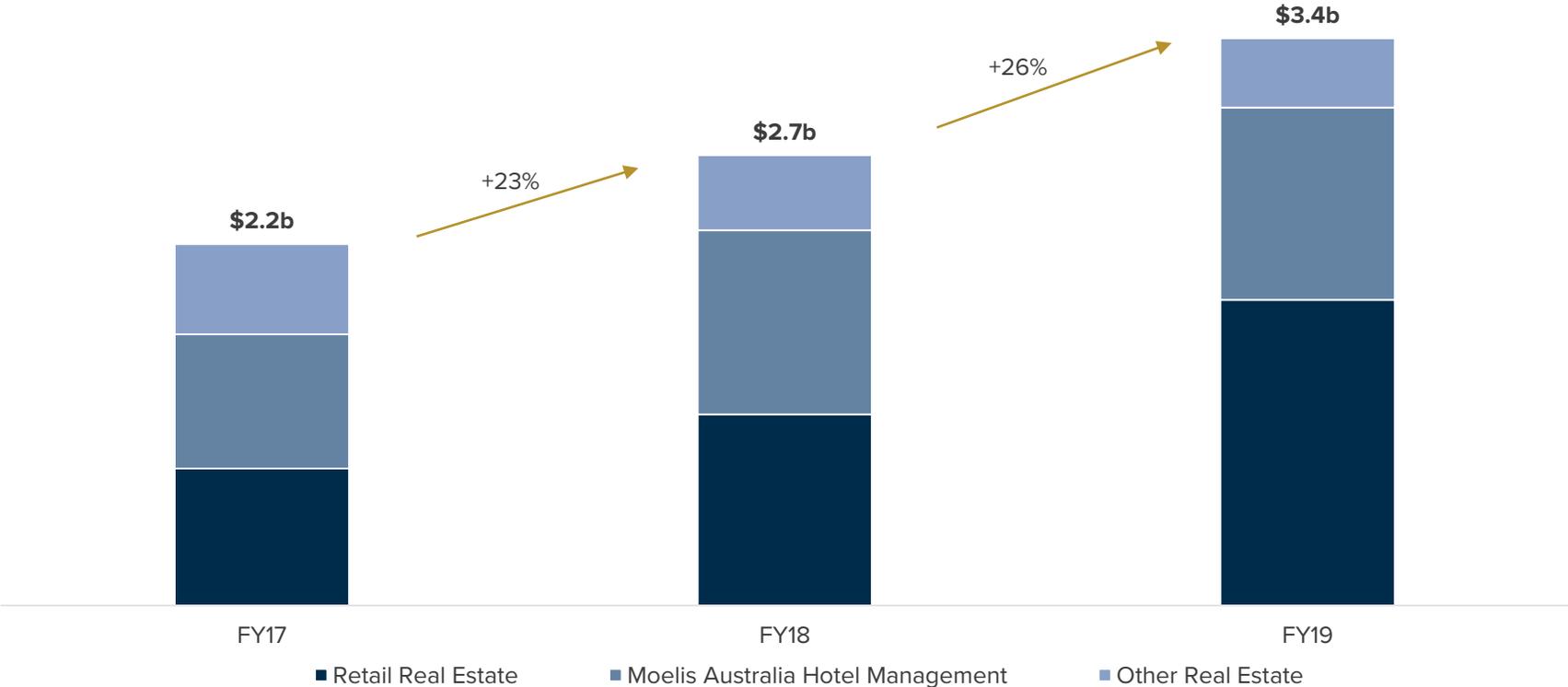
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**\$400 MILLION**  
**Diversified Real Estate**  
established 2013

- A diverse investment portfolio of Australian real estate assets (-7% on FY18)

# Real Estate AUM Growth (\$ billion)

Strong AUM growth in Real Estate



## Moelis Australia Hotel Management (“MAHM”)

MAHM is a unique hospitality operating platform that continues to grow in scale

### History

- Moelis Australia has been involved in managing Australian hospitality assets since 2014
- Moelis Australia materially expanded its hospitality capability with the acquisition of Redcape Hotel Group in 2017

### Strategy

- MAHM’s strategy is to purchase assets that will benefit from enhanced operations, growth capital, capital optimisation and industry leading corporate social responsibility

### Track record

- History of delivering attractive returns
- Since 2017 MAHM has purchased 10 assets and realised six assets each at a premium to book value
- In the past ~12 months, we have realised 2 single assets funds, the Oasis and Grand Hotel Funds. These delivered investors a 19% and 20% IRR (after fees) over 4-year and 5-year terms respectively

### Scale

- Experienced team of over 40 head office executives
- MAHM manages the Redcape Hotel Group (ASX:RDC) which owns 32 hotel assets in NSW and Queensland
- A new Fund managed by MAHM recently acquired the Beach Hotel, Byron Bay for \$104m

### Outlook

- MAHM is uniquely positioned to scale its platform within a hospitality market that is highly fragmented

## **Asset Management – ASX Listed Equities and PE / VC**

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Our team manages ~\$550m across ASX Listed Equities and PE / VC

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**\$300<sub>M</sub>**  
**ASX Listed Equities**

- +\$250m small cap equities Fund delivered a total return of 20.3% in FY19 (after all fees)
- Portfolio Manager has over 25 years experience and MD at Moelis Australia since 2010
- Investors are Foreign HNW

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**\$250<sub>M</sub>**  
**PE / VC**

- Our growth capital investment strategy has achieved 3 realisations in the past ~12 months with an average gross money multiple of 1.8x and IRR of ~28% p.a.
- Portfolio Manager responsible has over 20 years experience
- Strong client inflows is providing significant capital for deployment

## Asset Management – Clients

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Today we manage ~\$5 billion of assets for institutional, high net worth (“HNW”) and retail clients

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**\$1.5** BILLION  
**Institutional**

- Four Institutional Clients across Real Estate and Credit investments
  - Our connectivity with institutional clients is increasing
  - Platform investment in people and systems has increased our capability to manage larger, broader mandates
  - Our integrated platform and ability to co-invest alongside Institutional Partners is desirable
- 

**\$1.9** BILLION  
**Foreign HNW**

- Foreign investment into funds outside of the SIV programme is encouraging and continues to grow
  - We believe we are one of the largest managers of Funds in Australia for HNW investors of Chinese origin. China remains an ongoing focus across all client types
  - Our aspiration is to build from our established market leading position to continue to grow our activities in what is a vast addressable market
  - Large multi-lingual team focused on foreign client management & origination
  - Retention of SIV clients who have achieved their residency objective has been pleasing
- 

**\$1.6** BILLION  
**Domestic HNW and Retail**

- Investments across various private market funds and in Redcape Hotel Group (ASX:RDC)
- Significant network of HNW clients in Australia
- Many repeat clients across our product offering
- Strong connectivity with independent financial advisers and financial planning groups has grown our distribution networks. Significant investment in distribution has enhanced this capability

# Asset Management – Branding

## Asset Management division to be progressively rebranded to MA Asset Management

- Since listing, the proportion of Moelis Australia’s business relating to asset management has grown materially
- To better reflect our evolving focus and business activities the Asset Management branding will be progressively changed to **MA Asset Management**
- The Corporate Advisory & Equities business branding will remain unchanged as Moelis Australia, reflecting the ongoing strong strategic partnership with Moelis & Company



**CORPORATE ADVISORY  
& EQUITIES**



## Corporate Advisory & Equities Performance

| Underlying Financials (\$m)              |                   | FY18        | FY19        | Growth       |
|--|-------------------|-------------|-------------|--------------|
| Corporate Advisory Fees                  | [\$m]             | 42.3        | 52.8        | 24.9%        |
| Equities Commissions                     | [\$m]             | 9.2         | 8.9         | (3.3)%       |
| <b>Total Underlying Revenue</b>          | [\$m]             | <b>51.5</b> | <b>61.7</b> | <b>19.8%</b> |
| <b>Underlying EBITDA</b>                 | [\$m]             | <b>14.2</b> | <b>17.1</b> | <b>20.3%</b> |
| Corporate Advisory Head Count            | [avg. FTEs]       | 34          | 46          | 33.7%        |
| <b>Corporate Advisory Revenue / Head</b> | [\$m / avg. FTEs] | <b>1.2</b>  | <b>1.2</b>  | <b>n.m</b>   |
| Value of transactions completed          | [\$ billion]      | 6.6         | 11.1        | 68.8%        |
| Equities Head Count                      | [avg. FTEs]       | 18          | 19          | 6.6%         |

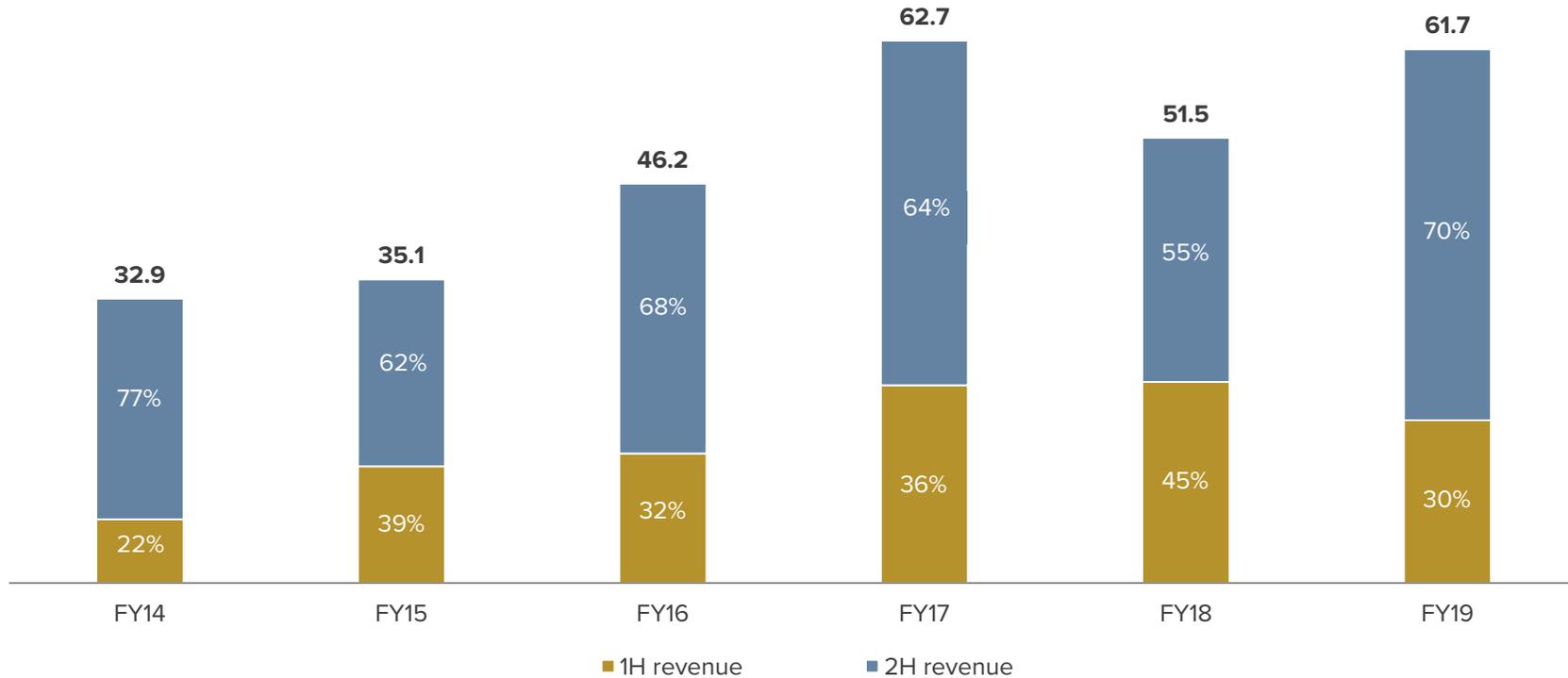
### Highlights

- Record 2H19 performance provided strong momentum in ECM and advisory mandates leading into 1H20
- In 2H19 we raised over \$2.2 billion for clients across 18 ECM transactions including eight IPOs
- Investment in 3 new Managing Directors and associated teams has short-term dilutive effect on revenue productivity per head
- Encouraging performance from new hires who typically take 18+ months to reach full productivity

## Revenue Seasonality

Corporate advisory revenue is typically seasonal with, on average, second half weighting of approximately 66%

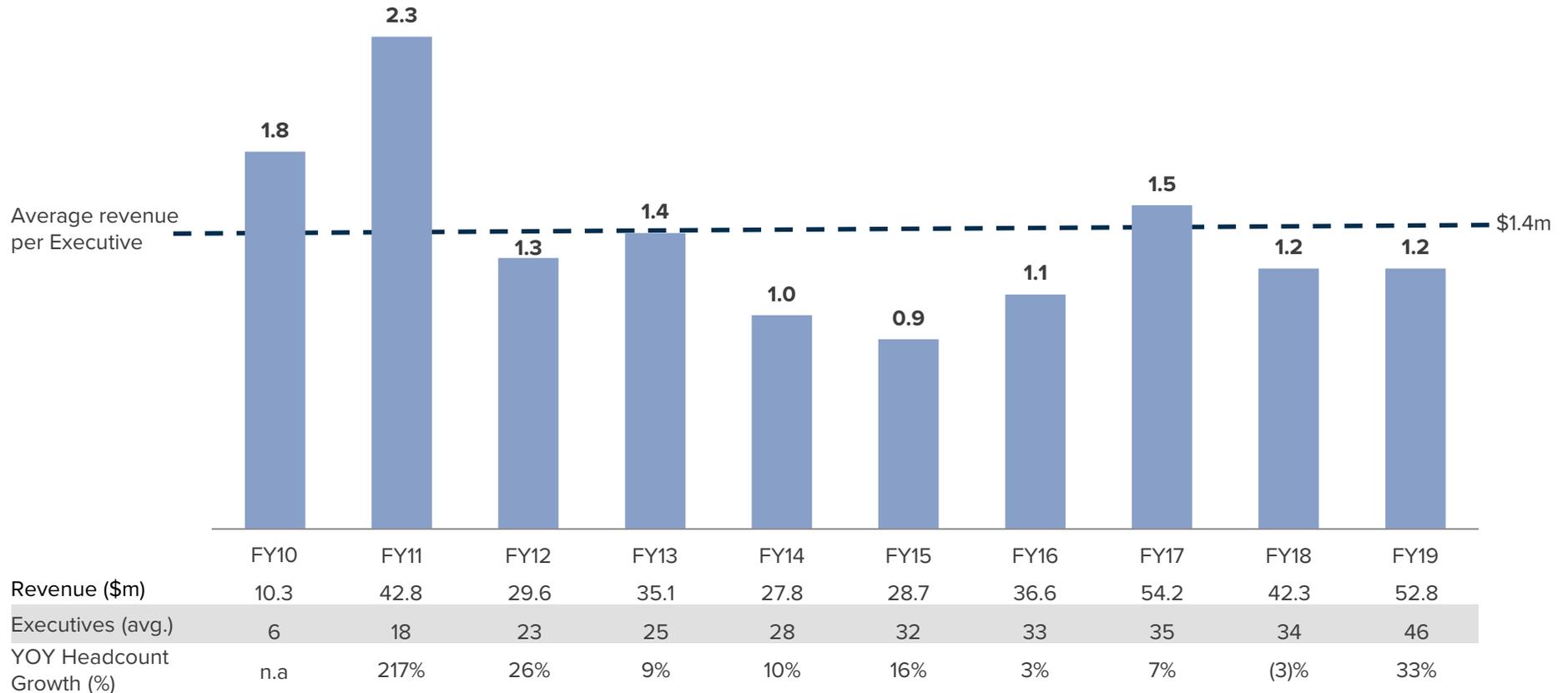
### Historical Corporate Advisory & Equities Revenue by Half (\$m)



## Productivity over Time

Our Corporate Advisory & Equities business has achieved a consistent overall revenue productivity performance over the past 10 years. Headcount growth delivers greater coverage & capability and its growth is carefully managed alongside revenue productivity

### Historical Corporate Advisory Revenue per Executive (\$m)



# FY19 FINANCIALS



## FY19 Financials – Group Underlying Profit & Loss

| Summary Underlying Profit & Loss Statement (\$m) <sup>1</sup> | FY18         | FY19         | Growth       |
|---|--------------|--------------|--------------|
| <b>Underlying Revenue</b>                                     |              |              |              |
| Asset Management  | 84.8         | 96.7         | 14.0%        |
| Corporate Advisory & Equities                                 | 51.5         | 61.7         | 19.8%        |
| <b>Total Underlying Revenue</b>                               | <b>136.3</b> | <b>158.3</b> | <b>16.2%</b> |
| <b>Expenses</b>   |              |              |              |
| Compensation  | 61.3         | 78.1         | 27.3%        |
| Marketing and Business Development                            | 3.5          | 5.0          | 43.0%        |
| Communications, IT & Market Data                              | 3.1          | 3.6          | 18.7%        |
| Occupancy   | 0.6          | 0.9          | 51.4%        |
| Other Costs   | 8.0          | 7.3          | (8.7)%       |
| <b>Total Expenses</b>   | <b>76.5</b>  | <b>94.9</b>  | <b>24.1%</b> |
| <b>Underlying EBITDA</b>                                      |              |              |              |
| CA&E  | 14.2         | 17.1         | 20.3%        |
| Asset Management  | 53.5         | 55.7         | 4.2%         |
| Corporate Overhead  | (7.8)        | (9.3)        | 19.0%        |
| <b>Underlying EBITDA<sup>2</sup></b>                          | <b>59.8</b>  | <b>63.5</b>  | <b>6.1%</b>  |
| Depreciation and Amortisation                                 | 2.9          | 3.3          | 13.5%        |
| Net Interest expense  | 0.8          | 2.8          | 237.5%       |
| <b>Underlying PBT</b>   | <b>56.1</b>  | <b>57.4</b>  | <b>2.2%</b>  |
| Tax   | 16.8         | 17.2         | 2.2%         |
| <b>Underlying NPAT</b>  | <b>39.3</b>  | <b>40.2</b>  | <b>2.2%</b>  |
| EPS (cents / share)   | 25.7         | 26.5         | 3.1%         |
| DPS   | 8.0          | 10.0         | 25.0%        |
| Underlying EBITDA Margin                                      | 43.9%        | 40.1%        | (3.8)%       |
| Compensation Ratio <sup>4</sup>                               | 44.1%        | 47.2%        | 3.1%         |

- Operating expense growth reflects material investment in new staff – with total FTE growing from 180 to 204 in FY19<sup>3</sup>

Notes: (1) Refer to pages 32 & 33 of this presentation for a reconciliation of Underlying financial metrics to their associated International Financial Reporting Standard financial metrics.

(2) The previously reported FY18 Underlying EBITDA result of \$57.5m has been adjusted by \$2.3m to reflect the estimated impact of AASB 16 Leases should it have been applied in 2018

(3) Including Redcape Hotel Group head office management, FTE at 31 December for relevant financial period

(4) Compensation expenses is adjusted for one-off charges

## FY19 Financials – Statutory to Underlying Profit Reconciliation

|  | Note | Revenue <sup>1</sup> | EBITDA        | NPAT          | CI <sup>1</sup> |
|--|------|----------------------|---------------|---------------|-----------------|
| <b>2019 Statutory Result (\$'000)</b>  |      | <b>153,728</b>       | <b>52,013</b> | <b>23,494</b> | <b>25,027</b>   |
| <i>Differences in measurement</i>      |      |                      |               |               |                 |
| Business acquisition adjustments       | (a)  | -                    | 3,566         | 5,464         | 5,464           |
| Share rights issued to staff           | (b)  | -                    | (1,822)       | (1,822)       | (1,822)         |
| Unrealised gains/losses on investments | (c)  | -                    | -             | -             | 2,023           |
| Adjustments relating to associates     | (d)  | 5,979                | 6,137         | 8,513         | 5,475           |
| Deferred performance fees              | (e)  | 6,400                | 6,400         | 6,400         | 6,400           |
| Profit on sale of Joint Venture        | (f)  | 2,221                | 2,221         | 2,221         | 2,221           |
| Credit Investments                     | (g)  | (258)                | 137           | 137           | 137             |
| <i>Differences in classification</i>   |      |                      |               |               |                 |
| Interest income                        | (h)  | (6,346)              | (6,346)       | -             | -               |
| Unrealised gains/losses on investments | (i)  | 1,175                | 1,175         | 1,175         | -               |
| Credit Investments                     | (j)  | (4,550)              | -             | -             | -               |
| <i>Tax on adjustments</i>              |      |                      |               |               |                 |
|  |      | -                    | -             | (5,427)       | (4,771)         |
| Total adjustments                      |      | 4,620                | 11,468        | 16,661        | 15,127          |
| <b>2019 Underlying results</b>         |      | <b>158,348</b>       | <b>63,481</b> | <b>40,154</b> | <b>40,154</b>   |

Refer to the following page for detailed notes to the Underlying Results Reconciliation

Note: (1) Revenue refers to Net Income and CI refers to Total Comprehensive Income on the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income.  
Refer to the Director's Report and note 3 of Moelis Australia's 2019 Consolidated Full Year Financial Report

# FY19 Financials – Notes to Statutory to Underlying Profit Reconciliation

## Differences in Measurement

- a) The acquisition of Armada Funds Management in 2017 for cash and shares gives rise to non-cash IFRS expenditure relating to the amortisation of intangible assets of \$3.6m (2018: \$4.2m) and share based payment expense to the vendors who are now employees of the Company of \$1.9m (2018: \$1.2m)
- b) The Underlying measure expenses the full value of the share rights issued to staff as part of the annual bonus plan in the year of grant as opposed to over the vesting period (up to 5 years) per IFRS
- c) Adjustment to remove unrealised gains/losses on the Group's strategic investment in Japara Healthcare Ltd. 2018 further comprises an unrealised gain of \$1.0m arising as a result of the initial adoption of AASB 9. The gain under AASB 9 was recognised directly in equity at 1 January 2018 and not through the 2018 Statement of Profit or Loss and Comprehensive Income
- d) The Underlying treatment records dividends and distributions received from associates in Revenue as opposed to the IFRS treatment of recording the Group's share of accounting profit or loss of the associate. Furthermore Underlying revenue recognises gains/losses in management's assessment of the Underlying value of the associate. These relate primarily to investments in Redcape Hotel Group and Infinite Care
- e) Performance fees relating to Redcape Hotel Group recorded in the 2018 statutory results but deferred to 2019 to closely align with transaction settlement and cash flows
- f) The profit on sale on the Group's interest in Acure Asset Management recorded in the 2018 statutory results but deferred to 2019 to closely align with transaction settlement and cash flows
- g) The Underlying treatment excludes the movement in AASB 9 Expected Credit Loss provisions relating to loan assets. Specific provisions for loan impairments are included in both Underlying and IFRS measures as detailed in note (j)

## Differences in Classification

- h) The Group consolidates the assets and liabilities of certain fund related credit initiatives. The interest expense of \$4.8m (2018: \$5.8m) relating to the liabilities is reclassified to Underlying revenue to offset against the interest income derived from the related loan assets to reflect the total net return to the Group. These relate primarily to our investments in the Master Credit Trust. Further, interest income on cash and bank balances of \$1.6m (2018: \$2.4m) is reclassified to Underlying net interest expense
- i) Unrealised gain/loss other than those in (c) above are reclassified from Other Comprehensive Income to Underlying revenue. To reflect the return generated from Moelis Australia's strategic investments
- j) The specific provision for impairment of a loan asset is reclassified from statutory expense to Underlying revenue, to be consistent with how management view the movement in value of investments
- k) Adjustment to reclassify \$2.3m of rent between expenses and amortisation in 2018 as the Statutory result does not reflect the impact of the AASB16 leases in 2019. (2018 Underlying result has been restated)

## FY19 Financials – Group Consolidated Balance Sheet

| Summary consolidated balance sheet (\$m) | 31 Dec 2018  | 31 Dec 2019  |
|--|--------------|--------------|
| Cash and cash equivalents                | 86.7         | 128.8        |
| Loans receivable - Group                 | 111.5        | 92.7         |
| Investments                              | 111.3        | 103.8        |
| Loans receivable – Master Credit Trust   | -            | 107.1        |
| Goodwill and other intangibles           | 23.0         | 33.1         |
| Other assets                             | 42.7         | 48.5         |
| <b>Total Assets</b>                      | <b>375.2</b> | <b>513.9</b> |
| Borrowings                               | 82.7         | 214.7        |
| Other liabilities                        | 51.7         | 72.1         |
| <b>Total Liabilities</b>                 | <b>134.4</b> | <b>286.8</b> |
| Net Assets                               | 240.8        | 227.1        |
| Net Tangible Assets (“NTA”)              | 217.8        | 194.5        |
| <b>Net Tangible Assets per share</b>     | <b>1.43</b>  | <b>1.36</b>  |

- See investment detail in Summary of investments below

- The Group is required to consolidate one of its managed funds - the Master Credit Trust (“MCT”) which has invested in loan assets of \$107m
- All the \$97m of third-party investor capital in the MCT is treated as borrowings but have no recourse to Moelis Australia
- The Group has an equity co-investment in the fund of \$9.7m which represents Moelis Australia’s true economic exposure to the MCT

- Reduction in Net Assets, NTA and NTA per share associated with the buy-back of 8m shares at a cost of \$27.2m
- There is a lease liability of \$7m (or (5¢) NTA per share) with no corresponding tangible asset. This is a result of the adoption of AASB16 Leases from 1 January 2019

| Summary of investments (\$m)         | 31 Dec 2018  | 31 Dec 2019  |
|--------------------------------------|--------------|--------------|
| Cash                                 | 86.7         | 128.8        |
| Credit                               | 111.9        | 83.2         |
| Redcape Hotel Group (ASX.RDC)        | 58.5         | 59.3         |
| Co-Investment                        | 34.2         | 36.7         |
| Japara Health Care Limited (ASX.JHC) | 16.8         | 14.8         |
| Other                                | 1.3          | 2.5          |
| <b>Total</b>                         | <b>309.5</b> | <b>325.3</b> |

# APPENDICES



# Moelis Australia – A Snapshot

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## History

- Founded in 2009 as a joint venture with NYSE listed global Investment Bank Moelis & Company to provide Investment Banking Advisory & Equities services in Australia & New Zealand
- In 2012 hired first Asset Management executives and launched its first managed Fund in 2013
- Initial Public Offering in 2017 (ASX:MOE)

## Operations

- Moelis Australia operates across Asset Management, Corporate Advisory and Equities sales & research
- 204 staff across Sydney, Melbourne, Shanghai and Beijing
- Manage ~\$5 billion in AUM across various asset classes on behalf of institutions, High Net Worth and retail investors

## Leadership

- Experienced board and executive team with over 30% staff ownership (majority long-term vesting)
- 19.9% ownership by global Investment Bank Moelis & Company
- Majority of most senior leadership has long tenure at Moelis Australia

## Balance Sheet

- Strong balance sheet with \$129m cash and \$227m net assets

# About Moelis Australia

An integrated financial services provider focused on Asset Management and Corporate Advisory services



## Asset Management

- Scalable platform managing ~\$5 billion AUM on behalf of institutional, domestic and foreign HNW and retail clients
- Culture of client alignment with staff and balance sheet co-investment
- Strategic focus on Credit and Real Estate asset classes



## Corporate Advisory & Equities

- Part of NYSE listed Moelis & Company global network
- Leaders in Real Estate, Restructuring, Tech and Australian mid-market advisory services
- Since inception advised on ~\$110 billion of transactions and raised ~\$10 billion in equity capital markets



## Platform

- Strong balance sheet with ~\$129m in cash
- Profitable and strong cash generator
- ASX listed with staff ownership over 30%
- Experienced leadership with over 200 staff in Australia, Shanghai and Beijing
- Significant investment in people and platform to drive long term growth

## FY18 Financials – Statutory to Underlying Results Reconciliation

|  | Note | Revenue <sup>1</sup> | EBITDA        | NPAT          | CI <sup>1</sup> |
|--|------|----------------------|---------------|---------------|-----------------|
| <b>2018 Statutory Result (\$000's)</b> |      | <b>143,230</b>       | <b>56,239</b> | <b>30,545</b> | <b>27,206</b>   |
| <i>Differences in measurement</i>      |      |                      |               |               |                 |
| Business acquisition adjustments       | (a)  | -                    | 4,187         | 5,396         | 5,396           |
| Share rights issued to staff           | (b)  | -                    | 3,514         | 3,514         | 3,514           |
| Unrealised gains/losses on investments | (c)  | -                    | -             | -             | 13,586          |
| Adjustments relating to associates     | (d)  | 8,763                | 8,763         | 8,763         | 220             |
| Deferred performance fees              | (e)  | (6,400)              | (6,400)       | (6,400)       | (6,400)         |
| Profit on sale of Joint Venture        | (f)  | (2,221)              | (2,221)       | (2,221)       | (2,221)         |
| Credit Investments                     | (g)  | 493                  | 1,022         | 1,022         | 1,022           |
| <i>Differences in classification</i>   |      |                      |               |               |                 |
| Interest income                        | (h)  | (8,204)              | (8,204)       | -             | -               |
| Unrealised gains/losses on investments | (i)  | 1,909                | 1,909         | 1,909         | 1,909           |
| AASB 16 Leases accounting standard     | (k)  | -                    | 2,301         | -             | -               |
| Non-controlling interests              |      | (1,263)              | (1,263)       | (1,263)       | (1,263)         |
| <i>Tax on adjustments</i>              |      | -                    | -             | (1,981)       | (3,686)         |
| Total adjustments                      |      | (6,923)              | 3,608         | 8,739         | 12,077          |
| <b>2018 Underlying results</b>         |      | <b>136,307</b>       | <b>59,847</b> | <b>39,283</b> | <b>39,283</b>   |

Refer to the page 33 for detailed notes to the Underlying Results Reconciliation

Note: (1) Revenue refers to Net Income and CI refers to Total Comprehensive Income on the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income.  
Refer to the Director's Report and note 3 of Moelis Australia's 2019 Consolidated Full Year Financial Report

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Unless otherwise specified all information is for the year ended 31 December 2019. Reporting is in Australian Dollars.

This presentation provides further detail in relation to key elements of Moelis Australia's financial performance and financial position.

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