

ASX ANNOUNCEMENT

Chairman's Address to 2019 Annual General Meeting

2 May 2019 – 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 the 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 2019 Annual General Meeting.

2019 marks Moelis Australia's tenth year of operations – a milestone which the company is extremely proud of. Since commencement in 2009, we have built a Corporate Advisory & Equities business that has steered over \$98 billion of transactions and grown an Asset Management business that at 31 December had \$3.7 billion of assets under management for a growing number of domestic and international clients.

Your Board and management have worked co-operatively throughout this period, with the Board providing direction on strategic planning and review, guiding ongoing career development and succession planning, oversight on major transactions and a review of financial statements and audit and compliance activities.

Together we have built a culture of collegiality and respect, where we seek to understand other perspectives, work towards actionable conclusions and avoid technical distractions and groupthink.

During the 2018 financial year we invested heavily in our people and systems –adding close to 40 full time employees across the group and investing millions of dollars in proprietary technology platforms in our Asset Management business. Considering this investment, our 2018 key underlying financial metrics were very pleasing. Revenue of \$136.3 million was up 27% on 2017 which translated to EBITDA of \$57.5 million, up 38% on 2017. Importantly, we were also able to increase our EBITDA margin to 42% from 39% and we achieved NPAT of \$39.3 million which was up 35% on FY17. This allowed us to pay a dividend to shareholders of 8 cents per share, up 14% on FY17.

Our Asset Management division continues to grow strongly and contributed EBITDA (before corporate overhead) of \$52.5 million, representing 80% of group EBITDA – up from 48% in 2017. Our assets under management increased by \$800 million in 2018, in part reflecting the investments we made in distribution and marketing throughout the year and also the confidence new and existing investors have in our investment process. Our growing AUM base provides a solid platform for continuing to grow our recurring revenue streams and we continue to work hard in this area.

Revenue in our Corporate Advisory & Equities division was down on 2017's strong result but solid at \$51.5 million for 2018. Productivity per Corporate Advisory executive was \$1.2 million per head (in the middle of our stated target range of \$1.1 million – \$1.3 million) and the Equities business result was broadly in-line with 2017.

At the time of our IPO in April 2017, Moelis Australia had net assets of \$59 million. At the end of 2018, net assets stood at approximately \$241 million, including \$85 million of cash and I am pleased that we continue to deliver on our strategy of growing revenue, with a strong focus on EBITDA and earnings per share, and at the same time building and strengthening our tangible asset base. A strong balance sheet remains a competitive advantage for Moelis Australia and we will remain patiently opportunistic when deploying funds.

In addition to our business initiatives, we are proud to continue to grow the Moelis Australia Foundation.

The Foundation supports community initiatives that align with our culture and the philanthropic interests of our Board and staff.

At the end of 2018 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 has now raised over \$4.8 million in the past two years and 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 company.