

RECORD FINANCIAL RESULT

STATUTORY PROFIT UP 154% - AUM GROWS TO \$2.5 BN

EARNINGS UPGRADE

SYDNEY, 16 August 2017 - Moelis Australia Limited (“Moelis Australia”) (ASX: MOE) has achieved a record first half financial result and upgraded its full year forecast Underlying EBITDA to \$33 million (an increase of approximately 14% on previous guidance).

RECORD FINANCIAL RESULT

Moelis Australia’s first half 2017 key financial metrics are significantly up from the first half 2016 previous corresponding period (“pcp”) and also well ahead of the forecasts contained in the IPO Prospectus:

- Statutory profit¹ up 154% pcp (\$8.2 million up from \$3.2 million)
- Underlying revenue up 77% pcp (\$36.4 million up from \$20.5 million)
- Underlying EBITDA² up 200% pcp (\$12.0 million up from \$4.0 million)
- Underlying NPAT² up 186% pcp (\$8.4 million up from \$2.9 million)

At 30 June 2017, Moelis Australia had \$79 million of net assets, including \$47 million in cash and liquid investments. In July 2017, Moelis Australia invested \$40 million in the Moelis Australia Redcape Hotel Group.

Subsequently, at 31 July 2017, Moelis Australia had net assets of \$88 million including \$23 million in cash and liquid investments.

Moelis Australia’s Corporate Advisory & Equities revenue is typically seasonal. Over the past 6 years, first half Corporate Advisory & Equities revenue had, on average, accounted for 36% of its full year revenue while second half revenue accounted for 64% of full year revenue. At 30 June 2017, 1H17 Corporate Advisory & Equities revenue accounted for 42% of its full year forecast. This increased to 64% following a strong revenue performance in July 2017. The forecast Group Underlying EBITDA has been increased to reflect the strength of the first seven months of FY17 plus the strong pipeline of active client mandates.

¹ Statutory profit is profit attributable to members of the Company as disclosed in the Company’s half year financial statements.

² Underlying EBITDA and Underlying NPAT are key profit measures used by Moelis Australia to assess performance. Underlying EBITDA comprises profit before interest, tax, depreciation and amortisation. Underlying NPAT comprises profit after tax adjusted for various items which are either non-cash or non-recurring in nature and includes other comprehensive income. Underlying EBITDA and Underlying NPAT will not correspond to the disclosures in the Company’s financial statements as they relate to management reporting definitions.

Since listing on the ASX on 10 April 2017, Moelis Australia has experienced outstanding activity across all areas of its business. Highlights of the first half include:

- Record Corporate Advisory & Equities revenue of \$23.9 million, an increase of 60% on the first half of FY16;
- Completion of advisory and equity capital market transactions for clients totalling approximately \$3.1 billion in value;
- The acquisition of Armada Funds Management, increasing assets under management (“AUM”) by \$800 million, strengthening the real estate asset management platform and introducing a broad range of new domestic and international wholesale and high net worth investors to Moelis Australia;
- Record asset management revenue of \$12.5 million, an increase of 97% on 1H16. Largely reflecting the contribution of Redcape and Armada, 2H17 revenue from asset management is forecast to be \$25 million, double that of 1H17;
- A Moelis Australia managed fund agreeing to acquire Redcape Hotel Group for \$677 million;
- Exceeding \$2.5 billion in AUM, which is a milestone and materially above the forecast provided at the date of IPO of \$1.5 billion by 31 December 2017; and
- EBITDA margins increasing from 30% in FY16, 32% in the IPO Prospectus forecast to 35% based on today’s upgrade.

Chief Executive Andrew Pridham said *“We are very pleased with the solid performance of Moelis Australia in the first half of 2017. Each of the Corporate Advisory & Equities and Asset Management segments is performing strongly with record revenue. It is particularly pleasing that the outlook for the balance of 2017 has allowed us to increase underlying Group EBITDA guidance to \$33 million.*

Moelis Australia has grown significantly and is expected to generate \$94 million of revenue this year boosted by substantial growth in assets under management which now sits at \$2.5 billion. Importantly, revenue from Asset Management is forecast to double in the second half, largely reflecting the impact of the strategic acquisitions of Armada Funds Management and the Redcape Hotel Group.

It is noteworthy that we have been able to grow revenue strongly and at the same time increase our forecast EBITDA margin from 30% in FY16 to a forecast 35% in FY17 reflecting greater management efficiency, scale and overall cost control.”

MOELIS AUSTRALIA REDCAPE HOTEL GROUP

On 10 July 2017, a Moelis Australia managed fund, Moelis Australia Redcape Hotel Group (“Redcape Fund”), completed the acquisition of the Redcape Hotel Group for approximately \$677 million.

In addition to Moelis Australia’s \$40 million investment in the Redcape Fund, approximately \$354 million of equity was raised from clients of Moelis Australia. The equity raising associated with the establishment of the Redcape Fund has attracted in excess of 400 investors, a majority of which are new to Moelis Australia’s asset management platform. Moelis Australia plans to list the Redcape Fund on the ASX within 12-18 months and retain management of the Redcape Fund within its Asset Management division.

Moelis Australia is pleased with the integration of the Redcape management platform into its Asset Management division, the underlying performance of the Redcape Fund hotel assets and the quality of value adding opportunities identified by Redcape management.

EARNINGS UPGRADE

On 28 June 2017, Moelis Australia increased forecast Underlying EBITDA for the financial year 2017 by 25% to \$29 million (up from the \$23.2 million IPO Prospectus forecast). This upgraded guidance related to the strong performance of the Asset Management division and the forecast contribution, in the second half of 2017, of Armada Funds Management and the establishment of the Moelis Australia Redcape Hotel Group.

Based on Corporate Advisory & Equities revenue recognised year to date and the pipeline of advisory mandates currently in progress, Moelis Australia has increased its forecast Underlying EBITDA for FY17 to \$33 million. This represents an increase on prior guidance of approximately 14%. The Underlying EBITDA achieved will be dependent on the completion rate of transactions in the pipeline and the timing of invoicing.

The outlook for Moelis Australia remains strong and management continue to work on a number of growth initiatives across the business.

ENDS

Andrew Pridham
Chief Executive Officer
Moelis Australia Limited

Enquiries:

Rebecca Drake
Moelis Australia Limited
Ph: (02) 8288 5537