

# Ozgrowth Limited Investor Presentation

August 2016



**OZGROWTH**  
LIMITED

## Disclaimer & Disclosure

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- OZG is a specialist listed investment company
- Its portfolio is managed by Westoz Funds Management Pty Ltd
- The investment focus is to generate a consistent positive return over the medium term on its portfolio of assets
- The portfolio is focused on small to mid cap listed companies, generally with a connection to Western Australia
- It will invest in smaller situations (sub \$100 mil market cap) and also consider unlisted opportunities
- It holds a concentrated portfolio of securities which may from time to time consist of large levels of cash
- It aims to benefit shareholders from share price appreciation based on growth in underlying asset values and consistent dividend payouts

## Company Details, 31 July 2016

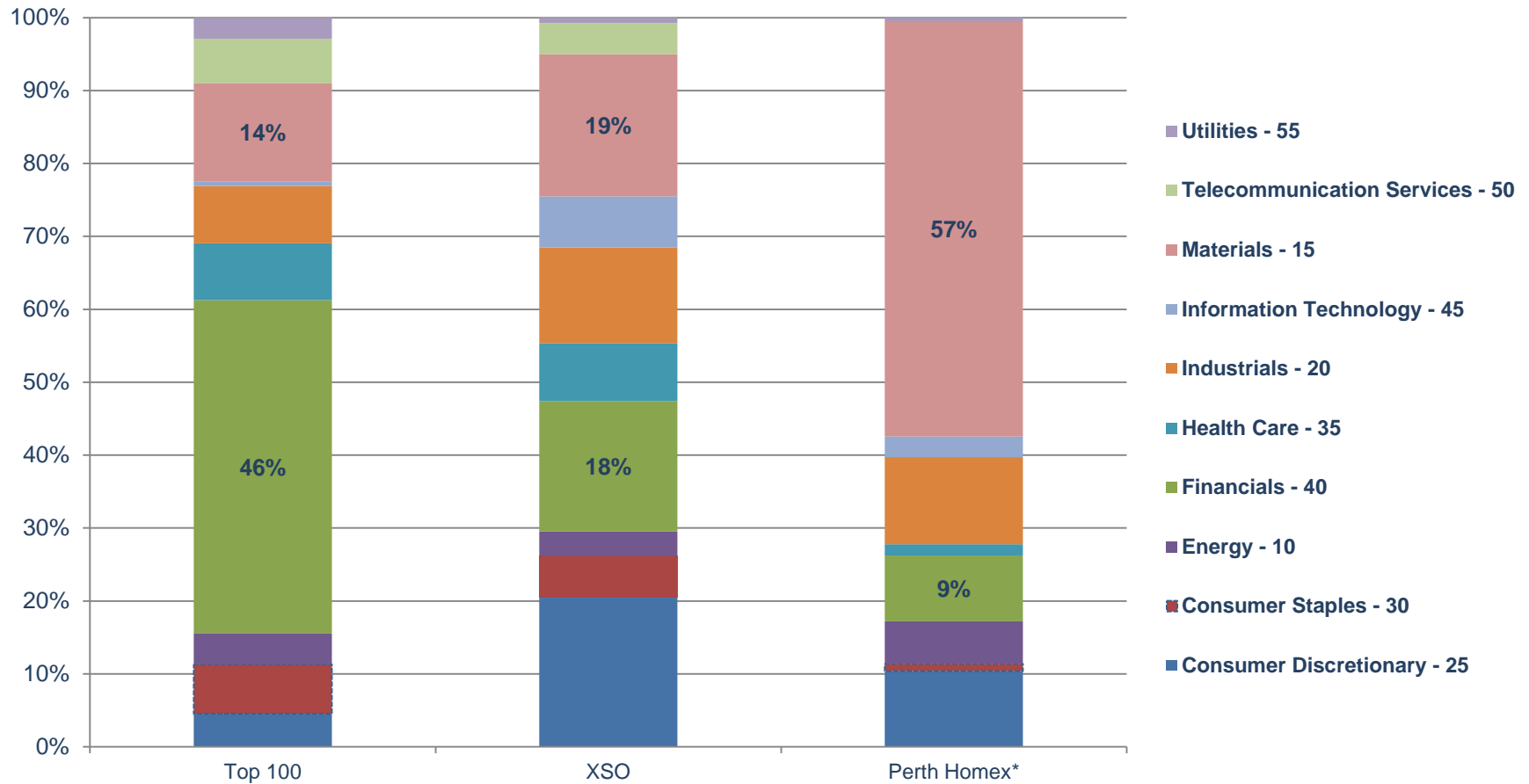
Share Price	15.0 cents
Net Assets Per Share (includes DTA/DTL)	18.6 cents
Shares on issue	361.0m
Options (18.0 cent strike, Aug 2016 exp)	36.1m
Market Cap	\$54m
Net Asset Value	\$67m

## Shareholders

Euroz Limited	38%
Cape Bouvard Equities Pty Ltd	11%
Total number of shareholders	835

# Our Backyard by Sector...

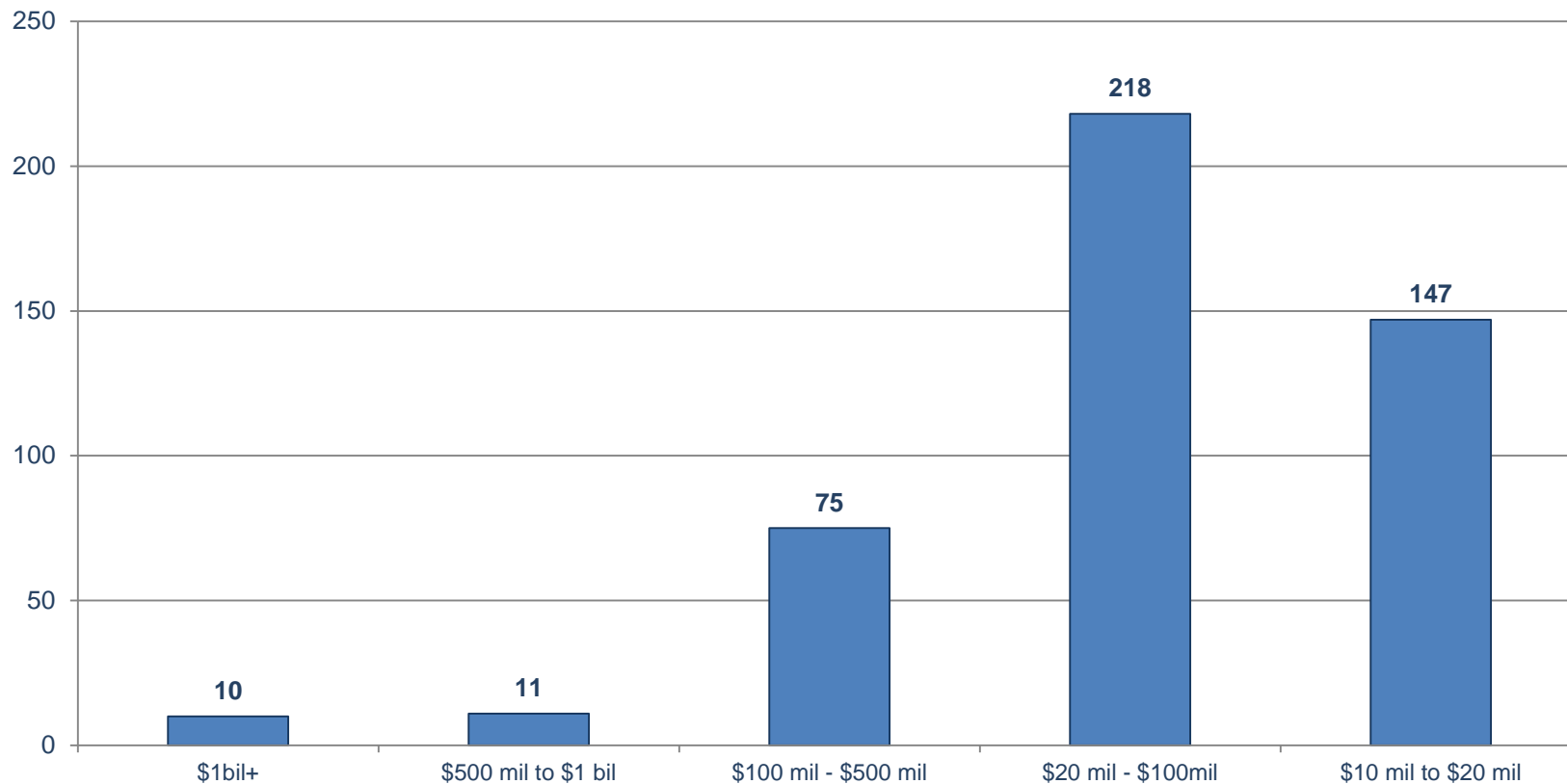
Market Capitalisation by GIC Sector



\*Perth Homex is ASX listed companies with Perth as home exchange, excludes WES, WPL, FMG, S32 and sub \$10 mil mkt cap.

# Our Backyard by Size...

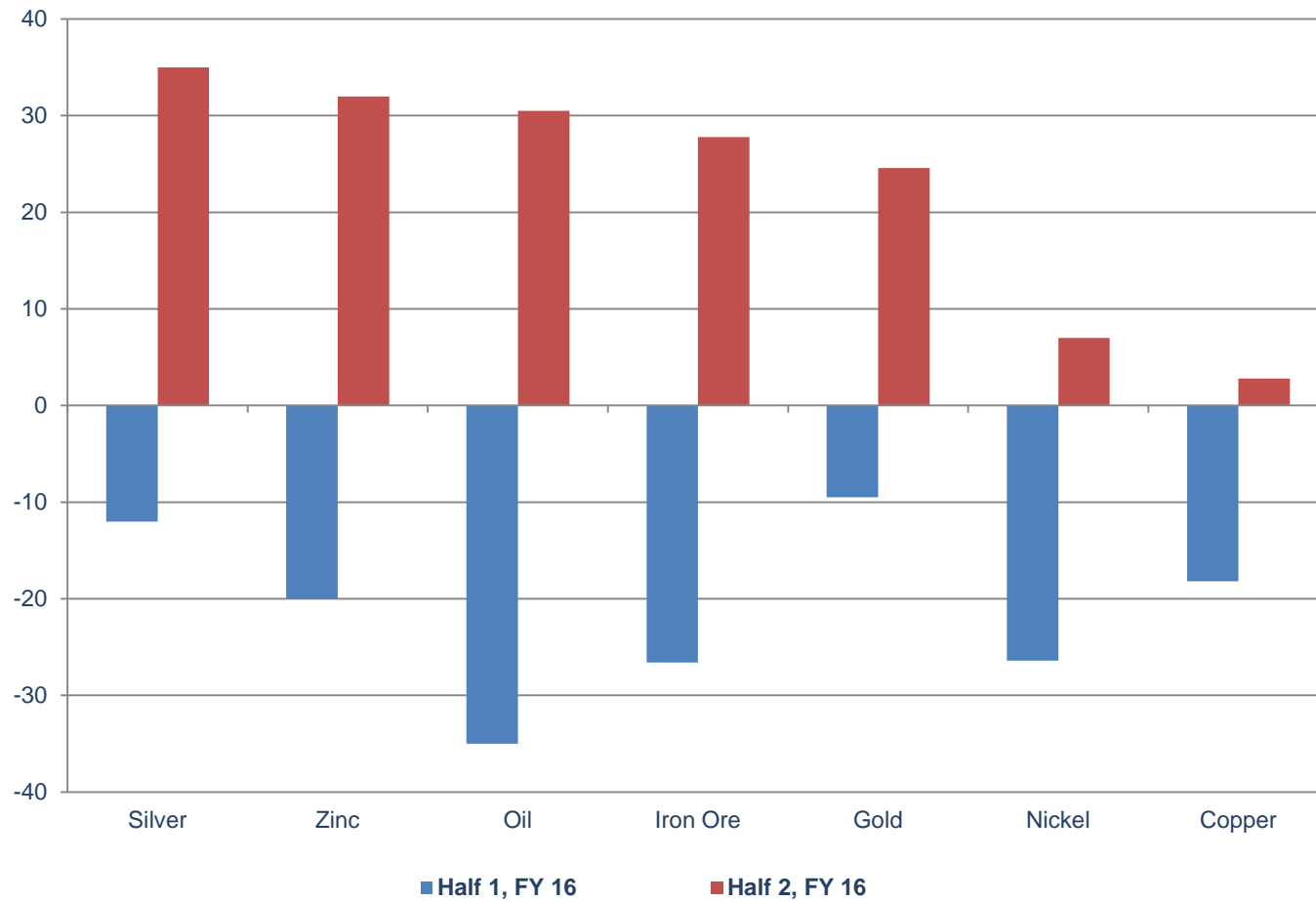
**Perth Homex\*; Number in Capitalisation Range**



\*Perth Homex is ASX listed companies with Perth as home exchange, excludes WES,WPL, FMG,S32 and sub \$10 mil mkt cap.

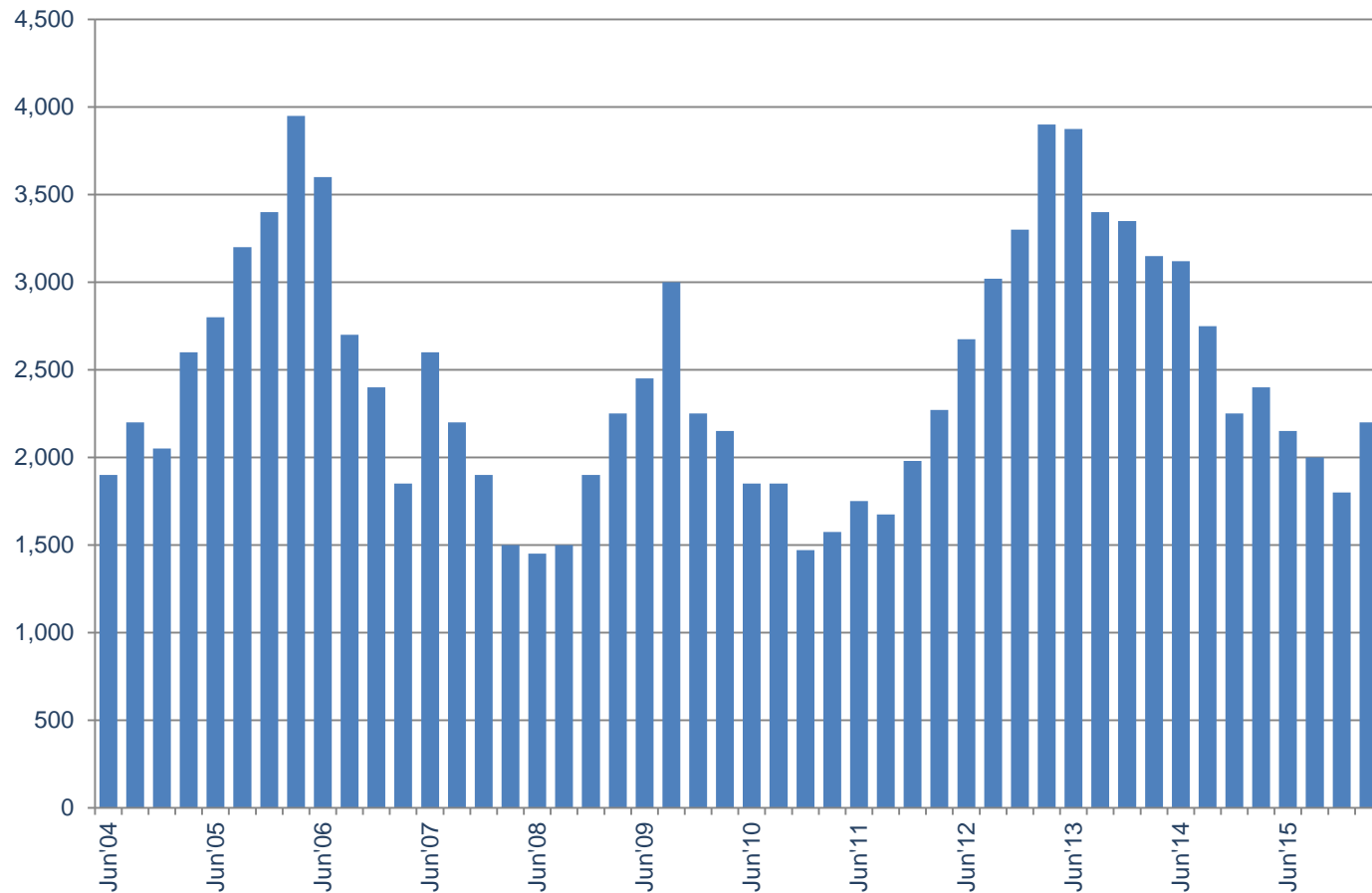
# Some signs of Improvement

Commodity Prices Improve in Second Half



# Some signs of Improvement

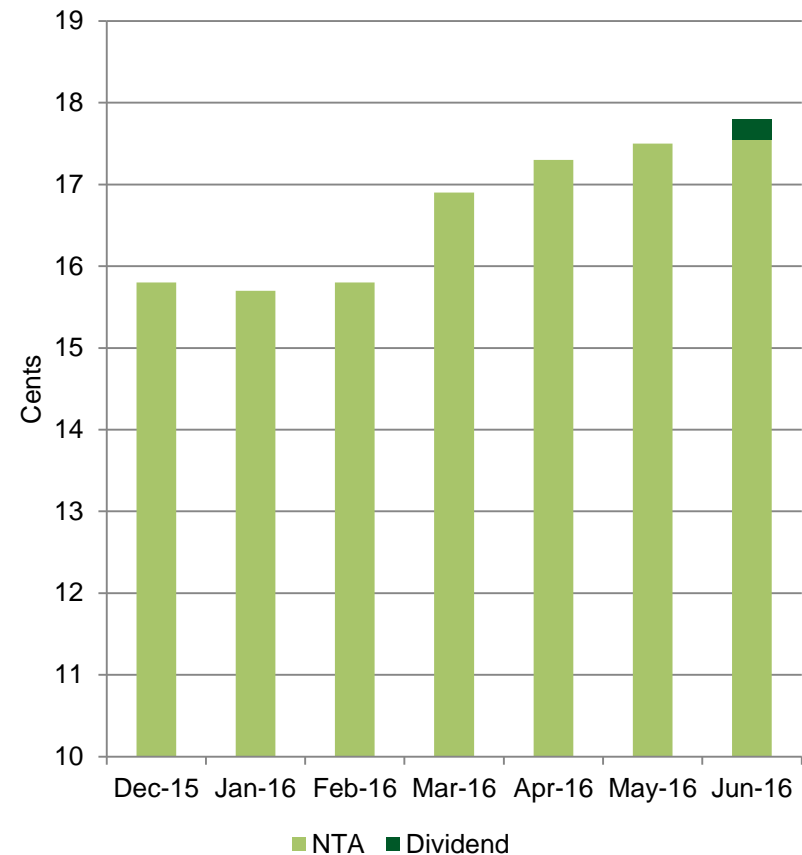
Perth Residential Land Sales



HIA Data

- Portfolio performance (pre fees and taxes) up 19.2% in June half;
- Net tangible assets at 30 June 2016 \$62.5 mil;
- Liability at 30 June recognised for payment of 0.25 cent per share dividend (\$900 k);
- Net tangible assets include deferred tax assets of \$4.9 mil (\$4.8 mil from realised losses and \$0.1 mil from unrealised)
- On a per share basis, net assets (including deferred tax assets) rose from 15.8 cents to 17.6 cents before allowance for dividend.

Monthly NTA (including DTA) and Dividends

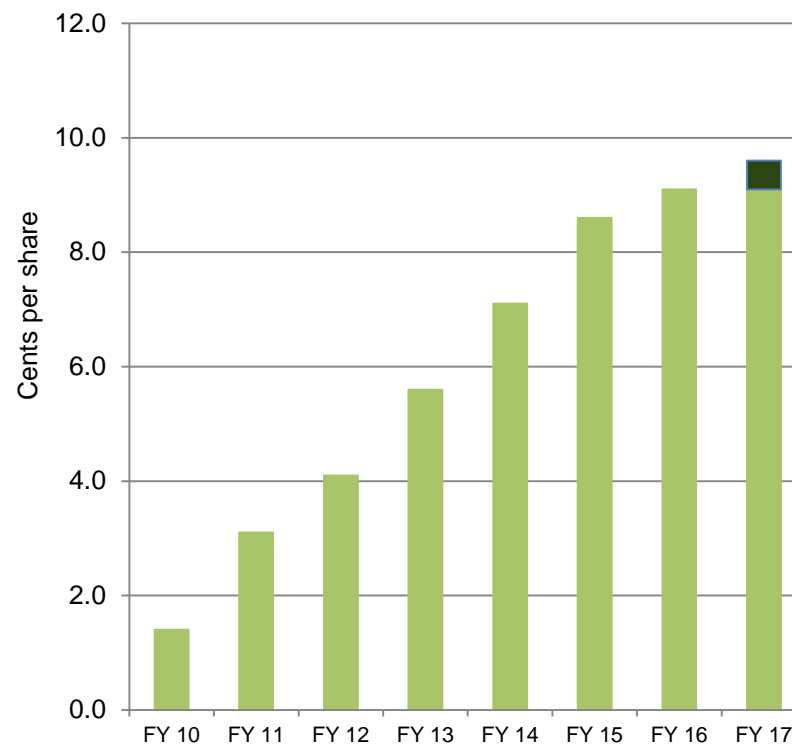




# Some Recent Initiatives

- Dividend Guidance
  - OZG target 0.5 cents per share for FY 2017
- Strong start to FY17
  - OZG portfolio rises 10.8% July
- Bonus Option Issue
  - 1 option to acquire a new share at \$0.18 for every 10 held
  - Exercisable at any time prior to 31 August 2017.
- Board Change

**OZG Cumulative Dividends Paid (per share)**



## Investment Decision considerations

- Bottom up focus, decisions made on a stock by stock basis
- Quality of Management paramount
- Potential to generate cash from operations or assets
- Balance sheets appropriately structured for delivery of equity returns
- Valuation parameters, predominately price/earnings

## Investment Environment

- Equity markets performing well despite increased macro uncertainty
- Conditions for West Australian focused companies still tough but bottom is visible
- Resource companies priced for further improvement in commodity markets (some exceptions)
- Industrials with growth record fully priced, deep value cyclicals of more interest

June Portfolio	
Cedar Woods Properties Limited	14.9%
Neometals Ltd	6.9%
Mount Gibson Iron Limited	6.3%
Cooper Energy Limited	5.6%
IMF Bentham Limited	4.4%
Equatorial Resources Limited	4.3%
Seafarms Group Limited	4.3%
Independence Group NL	3.4%
Western Areas Limited	3.1%
Energia Minerals Limited	3.1%
Sandfire Resources NL	2.9%
Southern Cross Electrical Engineering Ltd	2.9%
Orecorp Limited	2.7%
Renaissance Minerals Limited	2.5%
Finbar Group Limited	2.5%
<b>Other (20 positions)</b>	<b>23.5%</b>
<b>Cash</b>	<b>6.7%</b>

- Cash position reduced from 21% to 7% over the half
- Significant new positions over the period:
  - Neometals
  - IMF Bentham
  - Equatorial Resources
- Broadspectrum sold into bid, Automotive Holdings reduced
- Taken the opportunity to make meaningful investments in several early stage opportunities
- Resources exposure almost doubled over the half (27% to 53%)

# Thank you

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