

Evans Dixon

Expands corporate and institutional capabilities
with the acquisition of Fort Street Advisers

Presenters



ALAN DIXON
Managing Director &
Chief Executive Officer



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Corporate & Institutional



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Agenda

- 1 Transaction rationale and terms
- 2 Evans Dixon Corporate & Institutional overview
- 3 Corporate Advisory opportunity
- 4 Conclusion

Evans Dixon expands corporate and institutional capabilities

Summary

- ◇ Evans Dixon (ASX:ED1) today announced that it had completed the acquisition of Fort Street Advisers (Fort Street), which will be merged with the Evans Dixon Capital Markets business to create Evans Dixon Corporate & Institutional
 - Fort Street Advisers is a specialist corporate advisory business with expertise in mergers and acquisitions, divestments, equity, hybrid and debt raising, business strategy, restructuring and capital management and debt restructuring
- ◇ As part of the transaction Evans Dixon will also acquire an additional 25% economic interest in joint venture entities, Fort Street Real Estate Capital and Fort Street Real Estate Services, taking its total economic interest to 75%
 - Fort Street Real Estate Capital is active commercial real estate investment management platform currently managing 12 properties across 4 closed ended funds with total assets over \$730m

Strategic rationale

1. **Establishment of corporate advisory and enhanced capital markets platform** – opportunity to broaden the corporate advisory expertise of Fort Street and capital markets capabilities of Evans Dixon to create a leading Australian platform
2. **Increased exposure to strong performing specialist real estate fund manager** – presents significant growth potential from institutional specific mandates
3. **Expanded industry and sector capabilities** – significantly expanded firm-wide capabilities in market sectors including real estate, consumer, healthcare, technology and private equity where we see great opportunity to further Evans Dixon's sector expertise and offering to clients in key thematical areas where there is a strong firm-wide focus
4. **Cultural and ethical fit** – Fort Street Advisers, Evans Dixon were founded and built on a cultural, ethical and professional platform of providing trusted advice in a highly client focussed service model. Both businesses have been driven by expertise, commitment and reputations of the key personnel

Transaction terms

Consideration

- ◇ The consideration for Fort Street and Fort Street Capital comprises 14.3 million fully paid ordinary shares in ED1 and a cash payment of \$23.4 million. This equates to a value of \$53.9 million based on the closing price of ED1 shares of \$2.13 on ASX on 7 September 2018. Shares issued to the sellers represent approximately 6.27% of the post-transaction issued capital of ED1

Escrow and non-compete

- ◇ Fort Street's principals have made a long term commitment to the growth and success of Evans Dixon
- ◇ Shares issued to the sellers are escrowed until 14 May 2022¹
 - Escrow deeds are on the same material terms as the escrow deeds executed by Evans Dixon employee shareholders in connection with its recent listing on the Australian Securities Exchange
- ◇ Fort Street principals have entered into non-competition restraints consistent with a transaction of this nature

Notes:

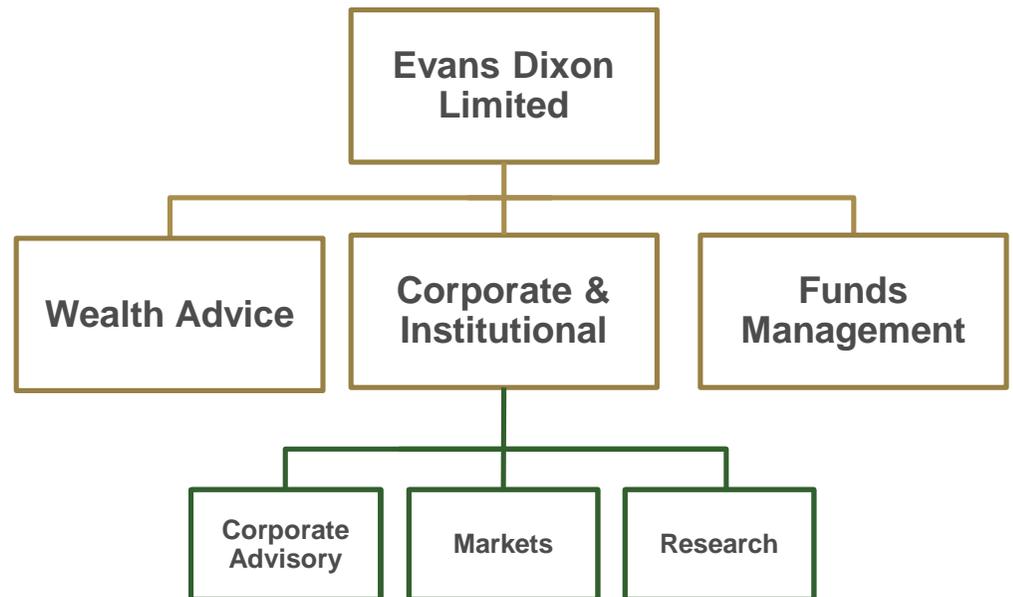
1. Except to fund payments for breach of warranty and other obligations owed to Evans Dixon under the share purchase agreements.

Business structure

Summary

- ◇ The acquisition of Fort Street and establishment of Evans Dixon Corporate & Institutional will provide a strong platform for long-term growth, led by a combination of the Evans Dixon and Fort Street executive teams
- ◇ Evans Dixon Corporate & Institutional, a natural adjunct to the Evans Dixon Wealth Advice and Funds Management businesses, will comprise three business units:
 1. **Corporate Advisory** – provides specialised advice across a broad range of investment banking services, as well as capital markets advisory and execution
 2. **Markets** – provides equities and fixed income sales and traditional broking and trading execution services to corporates and institutional clients
 3. **Research** – provides specialist domestic and international equities research in targeted sectors to institutional and private clients

Business Segments



EVANS DIXON

Evans Dixon Corporate & Institutional

Highlights

- ◇ Establishes Evans Dixon as a provider of comprehensive corporate advisory, capital markets and investment research solutions
- ◇ Pro forma FY18 highlights include:
 - Advised and executed on 24 significant M&A, ECM and DCM mandates
 - High touch institutional equities and research business servicing over 180 institutional clients
 - Comprehensive research coverage on over 100 domestic and international equities and fixed income
- ◇ Combined businesses have been involved in over 100 equity and debt capital market transactions representing over \$30 billion in capital raised and advised on over 70 M&A, capital markets advisory and restructuring mandates with an aggregate deal value of approximately \$30 billion
- ◇ Unique opportunity to create a genuinely differentiated advisory and capital markets business overseen by a highly regarded and experienced leadership team

Leadership Team



DAVID EVANS
Executive Chairman



ALAN DIXON
Managing Director &
Chief Executive Officer



RICHARD HUNT
Executive Chairman
Corporate & Institutional



BEN KEEBLE
Co-Head of
Corporate
Advisory



**STEVE
HAWKINS**
Co-Head of
Corporate
Advisory



ALEX ROCK
Head of Markets



**LORRAINE
ROBINSON**
Head of Research

Corporate Advisory opportunity

The acquisition of Fort Street Advisers provides an opportunity for Evans Dixon to create a genuinely differentiated corporate advisory and capital markets business

- ◇ **Market opportunity** – create a leading Australian corporate advisory and capital markets business through the combination of highly credentialled boutique corporate advisory business with Evans Dixon’s growing capital markets business
- ◇ **Provision of trusted advice** – fundamental to the culture of each of Evans Dixon and Fort Street, with strong focus on senior executives delivering high quality, bespoke advice
- ◇ **Strategic fit and complementary capabilities** – acquisition of Fort Street provides Evans Dixon with leading M&A and capital markets advisory capability across its corporate and private wealth client base
- ◇ **Growth platform** – materially broaden Evans Dixon’s corporate client coverage and increase access to capital through capital markets and wealth management
- ◇ **Sector and product expertise** – leverage expertise and relationships in specific market sectors where there are clear growth opportunities, with potential to expand sector and product coverage through targeted recruitment
- ◇ **Platform to grow talent** – opportunity to create the employer of choice for high quality investment bankers seeking to work on a genuinely differentiated platform and contribute to the long-term growth of Evans Dixon

Conclusion

Summary

- ◇ Acquisition of Fort Street is highly complementary to Evans Dixon's existing Capital Markets business and creates an opportunity to establish Evans Dixon Corporate & Institutional
- ◇ Evans Dixon Corporate & Institutional will be a leading Australian corporate advisory and capital markets business, with a clearly differentiated client proposition and a significant opportunity to grow
- ◇ Increased economic interest in strong performing active Australian commercial real estate investment manager, Fort Street Real Estate Capital with significant growth potential
- ◇ The senior executives of Evans Dixon and Fort Street know each other well and have previously worked together extensively, including through the successful Fort Street Real Estate Capital fund series and other specific mandates
- ◇ Each of the senior Fort Street principals have made a strong commitment to the future of Evans Dixon with a significant percentage of the acquisition consideration in the form of ED1 scrip, escrowed until 2022
- ◇ The transaction is expected to be EPS accretive to Evans Dixon on a pro forma full year basis

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