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Via ASX Online

ASX ANNOUNCEMENT – 4 August 2017

ASX Market Announcements Office
ASX Limited

ASX Code: EAS

Chairman's Address to Extraordinary General Meeting

I would like to provide the meeting with a brief update on progress since the Notice of Meeting was sent out to shareholders in early July 2017.

As shareholders will recall, the Company announced to the ASX on 26 June 2017 that conditional agreement had been reached to acquire a majority interest in the GPS Wealth business (**GPS**) from its Major Shareholders.

The Company then made a similar conditional offer to the Minority Shareholders to acquire all of the remaining shares in GPS and, as announced to the ASX on 2 August 2017, each and all of the Minority Shareholders have accepted Easton's conditional offer to acquire their shares in GPS.

Accordingly, the Company is now in a position to move to acquire 100% of GPS, subject to final conditions precedent being satisfied. In this regard, the Company is today seeking (pursuant to the Resolution set out in the Notice of Meeting) to obtain shareholder approval to issue a maximum of 6.45 million shares at an issue price of \$1.55 each, representing the share component of the purchase price (i.e. \$10.0 million or 50% of the total purchase price of \$20.0 million).

If the issue of shares is approved at today's meeting, it is expected that the acquisition will be effective from 10 August 2017.

Post-completion, the Managing Director of GPS, Mr Grahame Evans, will be invited to join the Easton Board as an executive director and will assume responsibility for the performance of the Company's expanded Wealth Management operations. I welcome Mr Evans to today's meeting and thank him for his attendance.



More broadly and as set out in the Notice of Meeting, Directors believe the GPS business to be an exceptional acquisition opportunity with excellent growth potential. In many respects it is a transformational transaction for the Company as it:

- repositions Easton with an expanded capital base and with enhanced scale and prospects;
- provides the Company with a significant up-lift in earnings, with normalised EBITA per share estimated to rise by approximately 50% after allowing for anticipated cost synergies;
- offers strong potential for organic growth;
- complements existing operations, including Merit Wealth, thereby avoiding duplicated expenditure on support infrastructure, investment platforms and best practice systems;
- represents an excellent strategic fit with the Company's stated intent and direction; and
- involves a purchase price that is 50% satisfied by the issue of Easton shares, thereby providing a strong alignment of interests going forward and reflecting confidence in the further growth of GPS in particular and in the future prospects of the Company more generally.

Directors believe that Easton has excellent growth prospects over coming years post the acquisition of GPS given the potential from synergies, business improvement, integration and internal leverage, in addition to further, selective new business acquisitions.

End