

12 November 2018

The logo for Evans Dixon, featuring the words "EVANS DIXON" in a bold, sans-serif font, enclosed within a thin, dark rectangular border.

Chairman's Address

It now gives me great pleasure to address you today as Chairman of Evans Dixon Limited at our first AGM as a publicly listed company.

2017 and 2018 have been extraordinary years in the history of our Company. We successfully completed the listing of our firm on the Australian Securities Exchange in May this year following the merger of Evans Dixon's predecessor firms, Evans & Partners and Dixon Advisory in February 2017. In doing so, we raised a significant amount of capital which will assist in driving future growth for our business.

Post the balance date, we completed the transformational acquisition of Fort Street Advisers in September this year and commenced the integration with the Evans Dixon business. Further, we promoted greater staff alignment through the introduction of the Company's employee loan funded share plan.

Soon you will hear from our Chief Executive Officer, Alan Dixon on the operational and financial performance delivered by the Company in financial year 2018, in which we substantially exceeded our prospectus forecasts.

The strategy in listing, as we explained at the time of the float, was to establish a platform to grow the firm. While other organisations in our industry are looking to either exit or scale back their commitment to Wealth Advice and advisory, we plan to grow concentrating in developing an enhanced and full offering to our clients. Our aim is also to broaden our offer into new markets and help service many more Australians with their increasingly complex financial needs.

We welcome an increasingly focused regulatory and compliance culture and given our focus on skills and experience, we see it as a competitive advantage for us to serve our clients better and more effectively.

As expected by our clients, the vast majority of our advisers not only have a relevant Bachelor's degree, but are also required to attain post-graduate qualifications and complete regular internal training. As a result, our team nurtures some of the most qualified advisers in the industry and is well positioned for any changes to the minimum education requirements for new and existing advisers as currently proposed by FASEA.

As we continue to execute our growth strategy, our accomplishments have unfortunately not been reflected in our share price performance, which has so far been disappointing since listing. We have seen increasing levels of volatility in markets since listing, with the Australian share market having faced a significant pull back across September and October in particular.

Added to that, is the current poor market sentiment towards the broader financials sector in the midst of the Royal Commission hearings and before its Final Report expected in February. Markets do not like uncertainty. This has seen a general sell-off of financial stocks.



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While these factors have been unfortunate for share price performance, they are factors which are unfortunately outside of our control. We will continue to focus on areas that we can control, such as investment in people and systems and execution of our growth strategies to deliver best-in-class service to our clients. Most recently, this includes the expansion of our corporate and institutional client offering and acquisition of Fort Street Advisers which we expect to be immediately accretive to the firm.

Additionally, we are continuing to meet with institutional investors and corporate partners across Australasia, so as to ensure our business and its strong growth prospects are better understood and appreciated by the market.

We continue to focus on securing the best and brightest new talent to take the company forward for the next generation. We feel this is particularly important for not only delivering best-in-class service and financial outcomes to our clients, but also for continuing to promote a culture of excellence across the organisation.

In talking about the best and brightest this year our team across the board have delivered some sensational results for clients and our Shareholders. And if you would allow me I would like to name just a few:

- Our team successfully deployed across the Group client focused advice technologies which drive greater customer engagement, adviser productivity, compliance and ability to respond to regulatory changes.
- In financial year 2018 we advised and executed on many equity and debt capital markets mandates for our corporate clients with 15 of the transactions each generating revenue of more than \$500,000 for the Group.
- Out of 75 organisations Evans Dixon was ranked the Top Graduate Employer for 2018 by The Australian Association of Graduate Employers.
- We successfully integrated Evans Dixon IT platforms and infrastructure during financial year 2018 following the merger of Evans & Partners and Dixon Advisory.
- Our funds under management increased to \$5.6 billion, up \$820 million or 17% over financial year 2018, with 4 new investment funds brought to market.
- We now manage 18 separate investment strategies which can be accessed through a combination of managed accounts and unit trusts.
- Whilst acknowledging this, we continue to provide our clients with choice of external strategies that fit our advice in growing client wealth.

The future of Evans Dixon is exciting, with a motivated and engaged team delivering on our growth mandate and client outcomes, giving you our Shareholders comfort that the next phase can again be a transformational one with the firm delivering the following:

- 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.
- Secondly, ability to offer clients investment opportunities in key thematical areas where there is strong firm-wide expertise.



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- And thirdly, we have a tremendous opportunity to broaden the corporate advisory expertise of Fort Street and capital markets capabilities of Evans Dixon to create a leading Australian platform.

We consider our highly qualified workforce, strong embracement of technology, scalable processes and an adaptable business model to be a competitive advantage within the industry.

Given everything we have achieved in the last 12 months, the skills of our team and the commitment to our clients we are very well positioned for the coming year.

On behalf of the Board, thank you to our Shareholders for their support in the first six months of our life as a listed company, as we continue to work hard to deliver on our growth strategy for your benefit.

I will now hand over to our Chief Executive Officer and Managing Director, Alan Dixon.



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CEO's Address

Good morning and thank you David. I would also like to add to the Chairman's opening words by saying that it is a privilege to be addressing you as your CEO and Managing Director at the inaugural AGM of Evans Dixon Limited.

In my address to you this morning I will provide a review of the financial and operational performance of Evans Dixon in financial year 2018 and discuss our key strategic developments.

We were very pleased to deliver to you on August 27, 2018 the Company's full year financial result which highlighted a strong financial and operational performance, exceeding our prospectus forecasts. The Group generated \$223.2 million in net revenue and underlying EBITDA of \$50.1 million, exceeding our prospectus forecast by 18%. Our underlying Earnings Per Share for the year was 14.5 cents per share. The final result was in line with our June upgrade to underlying EBITDA guidance of approximately \$50 million.

The Board declared 11 cents of fully franked dividends per share. The strong second half performance resulted in the Company increasing its final dividend to 6 cents per share, up on the 5-cent interim dividend declared in May.

Our net cash position at 30 June 2018 was \$89.1 million and we have since put a portion of this cash to strategic use, through the acquisition of Fort Street Advisers, which I will talk about later in further detail.

We have delivered a solid financial result across each of our three business segments. At the core, we are a people business and the 2018 result is a testament to the exceptional staff we have working in our organisation. We are proud to say that Evans Dixon's founders and staff own more than 60% of the equity in the Company. We believe this provides a significant incentive for our talented team to focus on delivering positive long-term outcomes for the business and for you, our Shareholders.

As we announced in our release of our full year financial results, our key drivers of profitability performed well over the 2018 financial year. Funds under advice increased 3% to \$18.3 billion in the 6 months to June 2018 driven by positive net client growth and market movements. The revenue from our Corporate and Institutional segment was \$49.4 million up 46% on the prior year, and our funds under management increased by 17% to \$5.6 billion.

As I have mentioned, each of our business segments delivered a solid result in financial year 2018 in their own right, when combined we have a meaningful level of diversification that positions the Group for future growth across various market conditions.

I will now provide a recap of the performance of each operating segment over the financial year.

Wealth Advice

In financial year 2018, Wealth Advice contributed \$96.9 million in net revenue to the Group result which was 4% above prospectus forecasts. Wealth Advice generated some 44% of the Group's net revenue for the year. The segment delivered EBITDA of \$21.5 million which was 30% above prospectus estimates.

We saw net new client growth across our private client businesses, which assisted in driving funds under advice to \$18.3 billion across more than 9,000 clients. Over time we have developed longstanding and trusted relationships with our clients, which provides the company with a stable revenue base as the majority of these client relationships are underpinned with annual retainers.

We continue to invest in our people and technology in our private client businesses, in doing so we



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have created a highly scalable platform for investment advice, SMSF administration and strategic financial advice. Our investment is delivering greater customer engagement, adviser productivity, adviser compliance and a platform that allows us to respond quickly to regulatory changes.

Through both the Evans & Partners and Dixon Advisory private wealth businesses, we focus on providing quality trusted advice predominantly to affluent SMSF trustees and high net worth wholesale clients. We believe these types of clients continue to present a perfect fit for our Wealth Advice services, particularly noting the complexity of personal finance for these households continues to increase.

The continued changes to superannuation, coupled with the far lower levels of contributions available into superannuation mean that we are going to actually see a significant increase in the complexity of the taxation structuring of our clients. There are going to be even greater benefits for clients seeking quality advice than there has been in the past.

Corporate & Institutional

Our Corporate & Institutional segment generated net revenue for the period of \$47.8 million which was 8% above our prospectus forecast and delivered EBITDA of \$19.8 million exceeding prospectus forecast by over 10%.

Evans Dixon maintained strong momentum across the equities and fixed income platform in financial year 2018. The clarity of our business model combined with the depth of quality in both our sales and research teams has seen us grow our market share versus our boutique peers for a number of years.

Over the year, Evans Dixon advised and executed on many equity and debt capital markets mandates, with 15 of those individually generating revenue of more than \$500,000.

These results are a reflection of the extremely talented and hardworking team that we have built across Evans Dixon.

As David mentioned, in September this year we announced the formation of the Evans Dixon Corporate & Institutional division and the acquisition of Fort Street Advisers which I will discuss in more detail later in the presentation.

Funds Management

Over the course of the financial year, our funds under management grew 17% to \$5.6 billion and we brought 4 new investment funds to market. Following a strong second half performance Funds Management delivered an underlying EBITDA result of \$27.4 million which was 2% above the Prospectus forecast.

We have proven capabilities across a range of asset classes and geographies including differentiated investment strategies such as global disruption and solar infrastructure. We have continued with a thematic approach where we identify needs of our investors. We are also conscious of the differing needs of our investors and therefore made many of our investment mandates accessible across ASX listed investments, managed accounts and unit trusts.

Over the last 12 months we have invested in key personnel to complement our existing team and lead future growth. It has also been pleasing to see the development of our distribution to institutions, self-advised investors and independent financial adviser groups.



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Successful IPO of innovative investment strategies

Consistent with our high conviction, thematic driven investment philosophy, in financial year 2018 we successfully listed our sustainable infrastructure business, New Energy Solar and launched the Evans & Partners Global Disruption Fund as a means of providing investors with a unique exposure to renewables and disruption.

New Energy Solar is an award-winning ASX-listed sustainable infrastructure business which is focused on investing in utility-scale solar power generation. Since its establishment in November 2015, New Energy Solar has successfully invested more than A\$1 billion in solar plants across the United States and Australia. All of these plants were acquired or established on terms that provide highly attractive financial returns backed by long term power purchase agreements from large utilities and organizations such as Stanford University.

In addition to financial returns, New Energy Solar's total portfolio is expected to generate more than 1,700,000 megawatt hours of electricity annually. This is equivalent to displacing more than 1,174,000 tonnes of CO2 emissions, powering 233,000 US and Australian equivalent homes, or removing 304,000 US and Australian equivalent cars from the road every year.

Through the Evans & Partners Global Disruption Fund we proved to be an early adopter in providing a vehicle for investors to access a portfolio of global companies with a proven ability to disrupt and continue to disrupt existing markets and businesses. The portfolio is advised by a committee of highly experienced industry professionals and has delivered a strong investment performance since inception.

People and IT solutions

Further, we are cognisant that our commitment to both our clients and our team are key to Evans Dixon's continued success. Accordingly, we continue to invest in our people and IT solutions to better serve our clients and provide a differentiated offering.

We are incredibly proud to have been awarded No. 1 in Australia's Top Graduate Employer rankings for 2018 based on the survey of over 2,500 graduates and continue to work towards being an employer of choice. Attracting and retaining the best people will be integral to the future growth of our company. Focusing on making this a team that people want to join, we believe this approach will lead us to continue to be highly ranked in the future.

Further, our investment in technology to better serve our clients and our embrace of technological disruption is a key to our success. Our approach is to start with high quality externally provided products and then use our large highly skilled internal team of programmers and business process improvement experts to adapt those products to become key tools to our business. Over financial year 2018 we continued to roll out our proprietary advice technologies across the Group which are delivering significant efficiencies for the business.

Acquisition of Fort Street

As indicated in our IPO prospectus and recent full year financial results presentation, we have been active in exploring strategic opportunities to expand our businesses capabilities and enhance the services we provide our clients.

Our September acquisition of Fort Street Advisers and a further 25% investment in our funds management joint venture Fort Street Real Estate Capital has been a transformational step for Evans Dixon. The acquisition also provided the impetus for the rebranding of our Capital Markets segment to Evans Dixon Corporate & Institutional to better illustrate the expanded capabilities brought about by



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the transaction.

The acquisition of Fort Street and establishment of Evans Dixon Corporate & Institutional advances our strategy in many ways.

1. Firstly, we believe there is a significant market opportunity before us. The addition of Fort Street Advisers to Evans Dixon Capital Markets significantly enhances our Capital Markets origination and execution capabilities and opens Evans Dixon up to new business opportunities by expanding our service offering to include a broad range of investment banking services.
2. Secondly, the acquisition increases our interest in the Fort Street Real Estate Capital platform which we believe presents significant growth potential for the business. A key focus of ours is broadening our client offering through bespoke mandates for institutional clients.
3. From an industry sector perspective, the acquisition combines the expertise of both firms where we have a demonstrable track record. We see new business and expansion opportunities in sectors such as real estate and real assets, healthcare and human services, consumer, private equity and technology which will benefit each of our three business segments. Looking forward, we have an opportunity to significantly broaden the platform to grow the sector and client coverage and product and service capability.
4. Finally, we see Evans Dixon and Fort Street as highly complementary businesses. Each business was founded and built on a cultural, ethical and professional platform of providing trusted advice in a highly client-centric service model with the growth of each having been driven by the expertise, commitment and reputations of the key personnel. The acquisition was funded with approximately 57% Evans Dixon shares escrowed until May 2022 and the balance cash. Accordingly, senior staff are aligned and highly motivated to contribute to the Company's medium to long term objectives.

We are very pleased to see that the acquisition is already delivering a financial contribution beyond our expectations. Further, we see a strong pipeline of corporate advisory business over the short to medium term.

The acquisition of Fort Street Advisers provides greater business and earnings diversification. We are very pleased with the business' earnings mix and we believe our diversity provides resilience to Evans Dixon's overall earnings and good ongoing cash flow generation.

Outlook

In concluding today, I would like to touch on the outlook for the Company.

We do note that as we are moving through the 2019 financial year macroeconomic factors impacting financial services including market volatility and potential changes to the regulatory environment are key focus areas for the business.

We are hopeful that further regulatory reform in the Australian financial services industry focuses on encouraging greater adherence by companies to existing laws.

In relation to the current reforms being implemented and in particular the higher education standards for the industry we feel we are very well placed with the quality of our team and our compliance focus.

We believe our complimentary business segments and investment in our people and technology has positioned Evans Dixon for solid results over the longer term. Our long-term focus is to enhance our capabilities in key sectors and services that are expected to add value to our clients and the company

Volatility in markets and business conditions is likely to persist, however, our Board and management



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are focused on putting in place disciplined business processes to protect clients and staff to navigate these challenges. As indicated in our IPO prospectus and recent full year financial results presentation, our strong balance sheet and enhanced access to capital, positions the company to capitalise on opportunities that may arise.

In Wealth Advice, we believe our differentiated service offering and compliance driven culture provides opportunities to continue growing our client base and funds under advice given the quality of our offering and advisor team. We will continue to develop solutions to assist clients in managing increasing complexity and realise further efficiencies in service delivery.

The formation of the Evans Dixon Corporate & Institutional segment and acquisition of Fort Street Advisers creates a corporate advisory and capital markets platform that significantly enhances our capabilities for corporate and institutional clients. The investment in our institutional business is continuing to deliver an increased market share and presents clear opportunities to further our sector expertise in key thematical areas where there is a strong firm-wide focus.

Our Funds Management offering has been repositioned over the past year and we have invested in key personnel to provide better outcomes for our investors and increase the demand for and distribution of our funds management products. We believe our efforts to date in expanding our funds management offering in a manner consistent with our thematic driven investment philosophy will continue to benefit our clients and external investors.

From a financial perspective, we are pleased with the Group's start to financial year 2019. We note that the first quarter has seen softer capital markets linked revenue as recent market volatility has impacted upon the timing of potential equity and debt capital market transactions. That said, the financial contribution from Fort Street to date has been above our expectations and our near to medium term corporate advisory pipeline is strong. In our Wealth Advice and Funds Management businesses we have seen growth in our recurring revenue sources driven by net inflows in clients and funds under management.

Finally, I'd like to thank the Board, our senior executive team and all of the wider team members for their hard work and commitment. By remaining focused on our strategic and operational goals, we believe we will be able to execute our business plan with discipline and deliver strong results for our clients, our people and our Shareholders. Thank you.

Further Information

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About Evans Dixon Limited

Evans Dixon is an Australian Securities Exchange listed financial services group. Operating through the Evans & Partners, Dixon Advisory and Walsh & Company brands, Evans Dixon provides a diverse range of financial services. In Wealth Advice we service over 9,000 clients, representing over \$18.3 billion in funds under advice. In Corporate & Institutional we are an advisor to many leading Australian institutions through the provision of research, corporate advisory, equity capital market and debt capital market services. In Funds Management, we manage over \$5.6 billion of assets across a diverse range of asset classes.



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