

EVANS DIXON

11 November 2020

ASX Limited
ASX Market Announcements Office
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir / Madam,

Evans Dixon Limited (ASX code: ED1) – 2020 Annual General Meeting (AGM)

The following announcements to the market are provided:

1. Chairman and CEO Addresses
2. **AGM Presentation**

Yours faithfully,



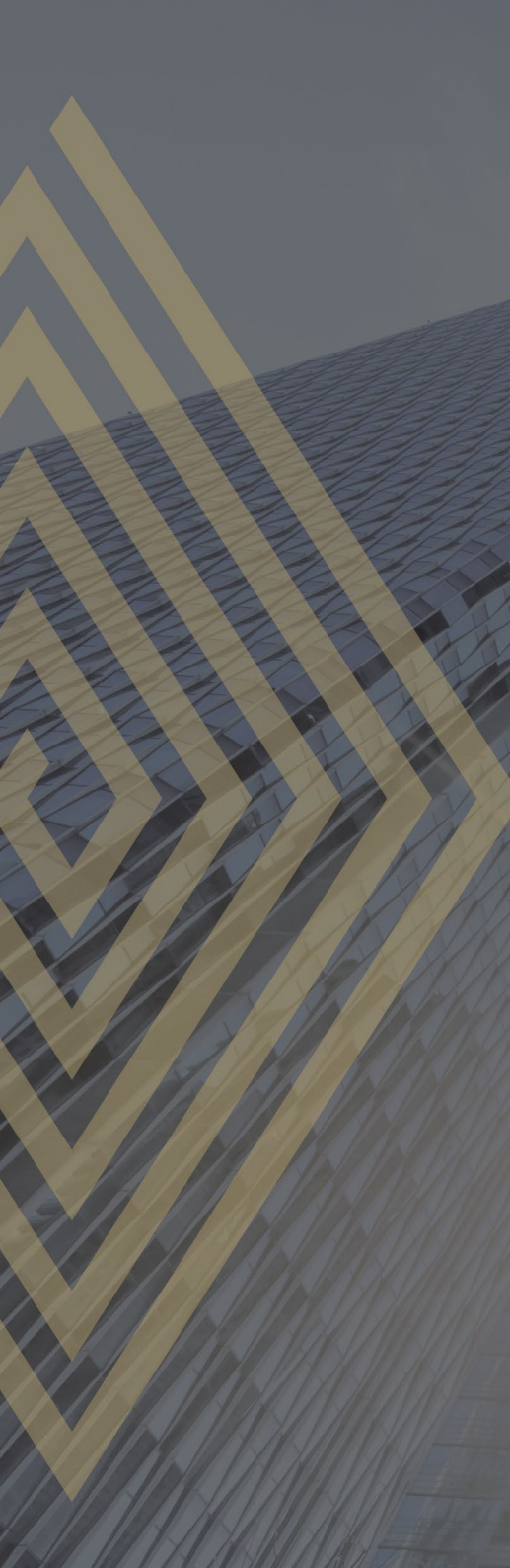
Paul Ryan
Chief Financial Officer & Company Secretary
(Authorising Officer)

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Evans Dixon Limited
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A large, stylized gold geometric pattern, resembling a series of nested chevrons or a stylized 'V' shape, is positioned on the left side of the slide, partially overlapping the background image of the skyscrapers.

Evans Dixon Limited

2020 Annual General Meeting

11 November 2020

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Presenters



David Evans
Executive Chairman



Peter Anderson
Chief Executive Officer

Board of Directors



David Evans
Executive Chairman

- ◇ Member of the People, Nomination and Remuneration Committee
- ◇ 33 years in the financial services industry and 13 years with Evans Dixon group entities
- ◇ Founded Evans & Partners in 2007
- ◇ Previously Managing Director, Chief of Staff, Head of Private Wealth and Head of Institutional Equities at Goldman Sachs JBWere
- ◇ David is a Director of Seven West Media, including Chairman of its Audit and Risk Committee, a Member of the Victorian Police Corporate Advisory Group and Chairman of Cricket Australia's Investment Committee



Sally Herman
Independent
Non-Executive Director

- ◇ Chairman of the Audit, Risk and Compliance Committee and member of the People, Nomination and Remuneration Committee
- ◇ Former executive of Westpac Group Institutional Bank and BT Financial Group
- ◇ Director of Suncorp Group Ltd, Premier Investments Ltd and Breville Group Ltd
- ◇ Board member of Investec Property Ltd



Josephine Linden
Independent
Non-Executive Director

- ◇ Member of the People, Nomination and Remuneration Committee
- ◇ Founder and CEO of Linden Global Strategies, a Forbes Top 50 Wealth Manager based in New York, USA
- ◇ Previously a Partner and Managing Director at Goldman Sachs for 26 years
- ◇ Chairman of Lands' End, Director of Sears Hometown & Outlet Stores Inc and member of the Advance Global Advisory Council



Kevin McCann AO
Independent
Non-Executive Director

- ◇ Chairman of the People, Nomination and Remuneration Committee
- ◇ Former Chairman of Partners of Allens Arthur Robinson from 1995-2004
- ◇ Current Chairman of Telix Pharmaceuticals Limited
- ◇ Formerly Chairman of Macquarie Group Ltd, Origin Energy Ltd, Healthscope Ltd and Citadel Group Ltd
- ◇ Mr McCann was made a Member of the Order of Australia for services to the Law, Business and the Community in 2005, and an Officer of the Order of Australia for distinguished service to business, corporate governance and as an advocate for gender equity in 2020



Anthony Pascoe
Independent
Non-Executive Director

- ◇ Member of the Audit, Risk and Compliance Committee
- ◇ Formerly Chief Executive Officer of Lendlease Ventures, Chief Operating Officer of Lendlease Investment Management and Chief Financial Officer of Blackmores Ltd
- ◇ Executive Chairman of Integrated Workforce Solutions

Agenda

1 Chairman's address

David Evans

2 CEO's address

Peter Anderson



Section 1

Chairman's address

David Evans

FY20 delivered outcomes

Strong focus was given to improving three key areas of the business during FY20

1

Governance: Firm-wide improvements in corporate governance framework and practices, including an increase in independent directors on ED1 board to 4 of 5

2

Management: New senior management team, beginning with the appointment of Peter Anderson as Group CEO in July 2019

3

Business model: Significant strategic and operational changes to address legacy issues within the Dixon Advisory business and establish a sustainable base from which to grow

FY20 result recap

Financial result impacted by deliberate strategic business model adjustments and COVID-19 in 2H but fundamental drivers relatively resilient

Revenue & earnings

\$191.8 million

FY20 net revenue

↓ 10% on FY19

\$37.2 million

FY20 underlying EBITDA

↓ 16% on FY19¹

Per share metrics

5.9 cents

FY20 underlying EPS²

↓ 40% on FY19

2.5 cents

FY20 full year DPS

↓ 69% on FY19

Balance sheet

Strong cash position of \$37.6 million and no debt as at 30 June 2020

Non-cash impairments of \$38.7 million primarily driven by COVID-19 uncertainty

No final dividend to preserve liquidity during period of COVID-19 uncertainty - Board remains committed to a targeted full year payout range of 75-85% of NPATA

Fundamental drivers relatively resilient during COVID-19

**Wealth Advice
FUA \$20.1 billion³**

unchanged vs pcp

Total client number largely stable over period

**E&P
FY20 revenue of \$51.3 million**

down 15% on pcp

Driven by lower corporate transaction activity in 2H20

**Funds Management
FUM \$6.7 billion³**

down 1% on pcp

Supported by FUM growth in US Solar Fund and stable core equities strategies

Notes:

¹ FY19 Underlying EBITDA of \$44.5m when adjusted for the introduction of AASB 16 Leases compared to \$37.1m without adjustment.

² Calculated using weighted average shares outstanding of 225.0 million for the year to 30 June 2020 and FY20 underlying NPATA of \$13.3 million.

³ As at 30 June 2020 unless stated otherwise.

Re-brand to E&P Financial Group Limited

To align the Group's trading brands and improve market awareness of our collective offering

- ◇ Subject to shareholder approval
 - Resolution 5 (special resolution)
- ◇ Retains strong brand presence developed over many years
- ◇ Follows recent rebrand of Corporate Advisory, Institutional and Research businesses
- ◇ Further consolidation of branding allows for consistency of messaging to clients and investors
- ◇ Company to migrate to ASX ticker code **EP1**



360 Capital takeover offer

Unsolicited, highly conditional offer received from 360 Capital on 27 October 2020

360 Capital offer background

- ◇ 360 Capital (ASX:TGP) joined the register on 31 August 2020 and now holds a 19.55% interest
- ◇ TGP had communicated a desire to work with the Board and management to enhance shareholder returns - at no point was a potential takeover discussed
- ◇ On 1 October, ED1 invited TGP MD Tony Pitt to join the Board subject to a vote at today's AGM
- ◇ On 27 October, TGP announced an unsolicited and highly conditional takeover offer for ED1
- ◇ Offer consideration is a mix of cash and scrip
 - \$0.40 cash per ED1 Share plus one TGP stapled security for every four ED1 Shares
 - Offer valued at \$0.61 per ED1 share based on TGP closing price of \$0.835 on 26 October 2020
- ◇ TGP can withdraw its offer if Resolution 6 is passed and several conditions on the ordinary course of business activities of the Company can also allow TGP to withdraw its bid
- ◇ The Board recommends shareholders **take no action** - ED1 will provide further information once it has received TGP's bidder's statement

360 Capital takeover offer

360 Capital has withdrawn Resolution 3; the Board does not intend to withdraw Resolution 6

Updates to Formal Business

Resolution 3: Election of Tony Pitt as Director

- ◇ The Directors believed it was inappropriate for Mr Pitt to join the Board while the takeover offer is proposed or continuing as it would put Mr Pitt in a position of conflict between his obligations to 360 Capital Group and his obligations as a director to the Company
- ◇ The Directors withdrew their support for the election of Mr Pitt to the Board
- ◇ On Tuesday 10 November, **360 Capital withdrew its nomination of Mr Pitt for election as a Director of the Company**

Resolution 6: Approval of Option/ Rights Plan & the issue of shares and Options under the Plan

- ◇ As a pre-condition to its offer, 360 Capital requires that either Resolution 6 is withdrawn or if voted on, is not passed
- ◇ Amended Plan largely reflects shareholder approved arrangement that has been in place for 3 years
- ◇ The Board considers the Plan key to attracting and retaining high calibre employees and encouraging greater involvement in the continued growth and development of the Group
- ◇ The Board **does not intend to withdraw** Resolution 6 from consideration today and will instead allow Shareholders to have their say



Section 2

CEO's address

Peter Anderson

FY20 – a year of substantive change

Significant strategic and operational changes made during FY20 to address Dixon Advisory legacy issues and establish a sustainable base from which to grow

Management and governance changes

- ◇ Appointment of new senior management team
 - New Chief Executive Officer: Peter Anderson
 - New Chief Financial Officer: Paul Ryan
 - New Chief Risk Officer: James Wincott

- ◇ Implemented a raft of governance improvements
 - Board of Walsh & Company Responsible Entity now majority controlled by independent directors (including independent chairman, Stuart Nisbett)
 - Established new firm wide Investment Committee with Independent Chairman, Patrick Farrell, having veto power
 - Increased separation of executive duties and improved reporting lines

FY20 – a year of substantive change

Significant strategic and operational changes made during FY20 to address Dixon Advisory legacy issues and establish a sustainable base from which to grow

Operational review

- ◇ Operational review completed and substantially implemented in FY20
- ◇ Objectives included:
 - Provide a clear strategic focus for a more integrated and efficient business
 - Improve financial discipline
 - Leverage core business strengths
 - Rationalise or close non-core operations
 - Reduce cost base
 - Improve business integration
 - Address legacy issues and improve governance

FY20 – a year of substantive change

Phase one initiatives completed in FY20

Wealth

- ◇ Merger of teams, sharing of infrastructure and advice framework
- ◇ Division-wide mentor and development program
- ◇ Continued investment in advice systems, compliance and risk management
- ◇ Firmwide investment committee to leverage expertise within the Group and strengthen the management of liquidity and concentration risks
 - e.g. any recommendation to invest in an in-house product as part of the firm's example portfolio will always include a suitable external product alternative
- ◇ Proactive client communications strategy to ensure continued personal client service in COVID-19 disrupted circumstances
- ◇ Efficiency improvements
- ◇ Establishment of Evans & Partners Retail Wealth Management to leverage scalability of advice business, particularly in the mass affluent market segment

FY20 – a year of substantive change

Phase one initiatives completed in FY20

Funds

- ◇ Deliberate changes to business model including:
 - ceased seeding real asset funds internally
 - exiting related party services such as Dixon Projects USA
 - exiting non-core operations – Custody business and Dixon Projects Australia
- ◇ Specific strategies in place for other internal funds to also improve liquidity and close gaps to NTA
 - US Masters Residential Fund – new management team developed and implementing turnaround plan while exploring corporate transactions in parallel
 - New Energy Solar – implemented strategic review by RBC, announced asset sale programs
 - Fort Street Real Estate series – unitholder approved merger to consolidate four separate funds into one providing greater portfolio diversification and multiple liquidity options
 - Listed Evans & Partners equities suite – conversion of global and Asian strategies to unlisted unit trusts to enhance liquidity and wind-down of domestic equity strategies to return capital to clients

FY20 – a year of substantive change

Phase one initiatives completed in FY20

E&P

- ◇ Consolidated under single unified brand, E&P
- ◇ Improved business integration
- ◇ Team co-location
- ◇ Strategic recruitment to increase depth and breadth of our M&A, Equity Capital Markets & Debt Capital Markets capability in targeted sectors
- ◇ Strategically expanding research coverage and capability

Group

- ◇ Removed business duplication
- ◇ Premises rationalisation
- ◇ Increased investment in enterprise risk management resourcing and capability
- ◇ Improved cross divisional collaboration
- ◇ Talent mapping and career development
- ◇ Streamlined reporting lines
- ◇ Improved financial discipline and accountability
- ◇ Firm wide cost and vendor review
- ◇ 22% headcount reduction delivering a ~\$12.0m annualised fixed remuneration expense saving
- ◇ Operating cost efficiencies exceeding \$1.6m on an annualised basis

Focused on core business strengths

Divisional growth strategies clearly defined

Wealth Advice	E&P	Funds Management
<p>Strong, scalable advice platform, systems and risk framework</p> <ul style="list-style-type: none">◇ Differentiated service offering of highly educated, quality advisers supported by specialised research and investment staff◇ Strong compliance and governance systems position business well for industry change◇ Market opportunity for scalable, well-managed business is significant, especially in mass affluent segment being vacated by major competitors	<p>Growth from targeted investment in research, corporate and institutional businesses</p> <ul style="list-style-type: none">◇ Co-ordinated strategy focused on key target sectors to leverage industry and client relationships◇ Core value proposition is continued investment in quality research and idea generation overlaid by high quality M&A/ECM/DCM capability	<p>Expand and diversify distribution along with enhanced governance and improved liquidity</p> <ul style="list-style-type: none">◇ Expand distribution of strong performing high conviction equities portfolios and alternative investment strategies◇ Increased alignment with investors through co-investment and improved governance◇ Exit related party and non-core activities◇ Asset sales and structural changes to improve liquidity and close gaps to NTA

Positioning the business for the Australian financial services landscape of the future

FY21 – consolidation and transitioning for growth

Actively progressing phase two initiatives; consolidating to facilitate growth

Outlook

- ◇ ED1 has a unique platform in Australian Financial Services with an enormous opportunity to leverage growth into the medium term
- ◇ As flagged at FY20 full year result, near term performance will be impacted by necessary permanent structural changes in Funds Management and increased insurance costs, as well as higher legal costs
- ◇ **Wealth** – strong medium-term prospects, FY21 expected to be impacted by cost of ASIC proceedings
- ◇ **Funds** – continue to expect softer core performance in FY21 as business model transitions, however strong unrealised gains on equity investments may benefit performance – this remains subject to change as revalued on a mark-to-market basis
- ◇ **E&P** – deal pipeline strengthening into 2H FY21 as origination efforts gain traction in targeted sectors and COVID-19 impacts on market activity levels ease

ASIC proceedings against DASS

No further update since early September

- ◇ Proceedings commenced on 4 September 2020 in Federal Court
 - alleges breaches of ‘best interest obligations’ in Division 2 of Part 7.7A of the Corporations Act by subsidiary Dixon Advisory & Superannuation Services Limited (DASS) in respect of personal financial product advice provided to retail clients in relation to securities in the US Masters Residential Property Fund (URF)
 - action is contained to DASS AFSL
- ◇ Detailed statement of claim not yet served, too early to make any fact-based assessment of possible financial implications (and may not be able to for some time)
- ◇ DASS will be defending the proceedings
- ◇ Date for commencement of trial unknown at this stage, although not expected to occur in 2021
- ◇ As the allegations are before the Court, ED1 does not propose to make any further commentary in relation to the proceedings at this time

What does the future hold?

We are positioning the business for growth off an integrated platform unique in the Australian financial services industry

- 1 Fully integrated financial services group operating under a single unified brand and leveraging the core strengths of each division
- 2 Consolidated Wealth business with a leading market presence across the mass affluent retail and High Net Wealth client spectrum, underpinned by a scalable advice platform
- 3 A leading provider of corporate advisory, capital markets and investment research solutions in our chosen segments – occupying a unique position in the market due to client relationships, scale and focus
- 4 A high-quality suite of thematic investment products with a diverse investor base