

25 February 2019

The logo for Evans Dixon, featuring the company name in a bold, sans-serif font inside a rectangular border.

1H19 Half Year Results Announcement
Underlying EBITDA of \$23.3 million up 6% on pcp

For the half year ended 31 December 2018:

- Group underlying EBITDA of \$23.3m was up 6% on pcp
 - Corporate & Institutional \$13.4m – up 30% on pcp of \$10.3m
 - Wealth Advice \$7.6m – 21% lower than pcp of \$9.6 m
 - Funds Management \$9.0m – 17% lower than pcp of \$10.8m
- Statutory NPAT of \$12.4m was 9% lower impacted by an increase in effective tax rate
- 1H19 underlying EPS of 6.8 cents, compared to 7.0 cents in pcp
- DPS of 5.0 cents fully franked, in line with pcp
- Net cash balance of \$52.5m as at 31 December 2018
- FUM up 14% and FUA up 1% on pcp, despite challenging markets
- Expansion and rebranding of Corporate & Institutional business following acquisition of Fort Street Advisers and expanded offering now includes a broad range of corporate advisory, capital markets and institutional trading and research services

Overview

Financial services company, Evans Dixon Limited (ASX:ED1), today announced its half year results for the 6 months to 31 December 2018, with Group underlying EBITDA of \$23.3 million, up 6% on the prior comparable period.

Chief Executive Officer, Alan Dixon said “We are pleased to deliver a solid result despite a challenging period for investment markets and the Australian financial services sector generally. We made good progress implementing our growth strategy with the expansion and rebranding of our Corporate & Institutional division following the acquisition of Fort Street Advisers. Our business now offers a broad range of corporate advisory, capital markets and institutional trading and research services through our boutique sector focused model.

“Market conditions presented headwinds for parts of our business, however these impacts were minimised by an increasingly diverse earnings mix.

“We have declared a 5 cent dividend for the period, highlighting our commitment to a strong and consistent yield for our shareholders. The dividend is in line with the interim 2018 dividend and we remain committed to delivering a full year dividend payout ratio of 75-85% of underlying NPATA.”

“In our Wealth Advice business, the \$17.9 billion of client funds that we advise was relatively stable despite broad-based market declines. Advice and Service related revenues grew 5%

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demonstrating steady growth in our core “fee for service” advice business. However, market uncertainty impacted upon transactional Brokerage and Other Capital Markets revenue.

“We are proud of our Wealth Advice model which is underpinned by a compliance focused culture and professional advisers. Our ongoing investment in technology has created a highly scalable platform for investment advice, SMSF administration and strategic financial advice. Our investment is delivering greater customer engagement, adviser productivity and importantly adviser compliance, with an increased ability to respond to continued regulatory changes in the industry.

“In Corporate & Institutional, our acquisition of Fort Street Advisers is performing ahead of our expectations and served to broaden the range of services offered within our business as well as strengthen our existing capabilities. During the period we advised and executed on M&A, equity and debt capital mandates representing an aggregate deal value in excess of \$7.4 billion. We saw ongoing growth in our institutional equities business which continues to gain client share of wallet.

“In Funds Management, our funds under management grew 14% to \$5.9 billion supported by new product offerings over the last 12 months and capital raisings in 1H19 to fund real asset acquisitions. During the period our repositioned investment management team delivered strong results for investors across a range of asset classes, ranking amongst the best performing products against their peers.

“We have continued with our thematic driven approach across a range of differentiated investment strategies and in the half worked on bringing a number of new investment opportunities to market” Alan Dixon said.

Group Financials

Chief Financial Officer, Tristan O’Connell, reiterated “Evans Dixon delivered a solid result in a challenging operating environment. The performance of the acquired Fort Street business delivered strong M&A revenues and further enhanced our diversified earnings mix. The strength of our balance sheet provides us with the flexibility to assess further compelling strategic growth opportunities.”

Group net revenue of \$110.2 million and underlying EBITDA of \$23.3 million were up 3% and 6% respectively on the prior corresponding period. Underlying NPATA of \$15.0m was in line with 1H18, which benefited from an abnormally low 24% effective tax rate. This was due to the receipt of a fully franked dividend from our Fort Street Real Estate Capital joint venture, following a successful asset realisation.

The Group delivered underlying EPS of 6.8 cents, and the Board has declared a fully franked interim dividend of 5.0 cents per share. The Group is committed to a full year dividend payout ratio target of 75-85% of underlying NPATA.

Outlook

Executive Chairman, David Evans said “We have made a solid start to 2H19. We maintain a good transaction pipeline in our Corporate and Institutional business. However, the high level of M&A deal completions in 1H19 is unlikely to repeat in 2H19.

We are committed to our strategy and our ongoing investment in people and technology are at the core of our company and by remaining focused on our strategic and operational goals, we are well positioned to deliver strong outcomes for clients and shareholders.”



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Further information regarding Evans Dixon's results is set out in the Group's financial results presentation for the half year ended 31 December 2018 and is available at www.evansdixon.com.au.

ENDS

2019 Key Dates for Investors	Date
1H19 results released to market and interim dividend declared	25 February 2019
Securities quoted ex-dividend on the ASX	1 April 2019
Interim dividend record date	2 April 2019
Interim dividend payment date	11 April 2019

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 \$17.9 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 \$5.9 billion of assets across a diverse range of asset classes.

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