EVANS DIXON

Results briefing

Full year ended 30 June 2019

AUGUST 2019

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Presenters

DAVID EVANS
Executive Chairman

PETER ANDERSON
Chief Executive Officer

WARWICK KENEALLY
Interim Chief Financial Officer

Agenda

EVANS DIXON

1	**FY19 overview**	David Evans
2	**FY19 operating performance**	David Evans
3	**Financial results**	Warwick Keneally
4	**CEO first impressions and outlook**	Peter Anderson

FY19 highlights

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Financial highlights

$212.1 million
FY19 net revenue

$37.1 million
FY19 underlying EBITDA[3]

9.8 cents
Underlying EPS[2]

3.0 cents
Fully franked final dividend

6.8x
PER[5]

12.9%
Implied gross yield[6]

Operational highlights

$20.1 billion
Funds under advice

$14.8 billion
Advised and executed on transactions[4]

$6.8 billion
Funds under management

US$200 million
First international institutional fund raised (US Solar Fund)

Notes:
1 As at 30 June 2019 unless stated otherwise.
2 Calculated using weighted shares outstanding of 223.0 million for the year to 30 June 2019 and FY19 underlying NPATA of $21.8 million.
3 Non-IFRS measures such as underlying NPATA and underlying EBITDA are defined in the glossary. The adjustments to NPAT and EBITDA for FY19 and FY18 are outlined on slide 36.
4 Based on the gross values of deals advised on and executed where fees were received during the period, excludes transactions of undisclosed value.
5 Based on underlying EPS of 9.8 cents and a share price of $0.665 as at 23 August 2019.
6 Based on an annualised FY19 final dividend, equivalent to 6.0 cents per share, and a share price of $0.665 as at 23 August 2019.

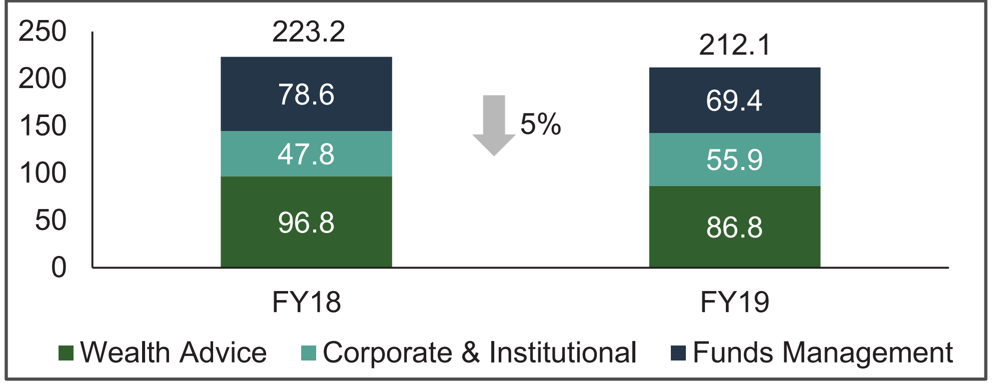
Section 1 FY19 result overview

David Evans

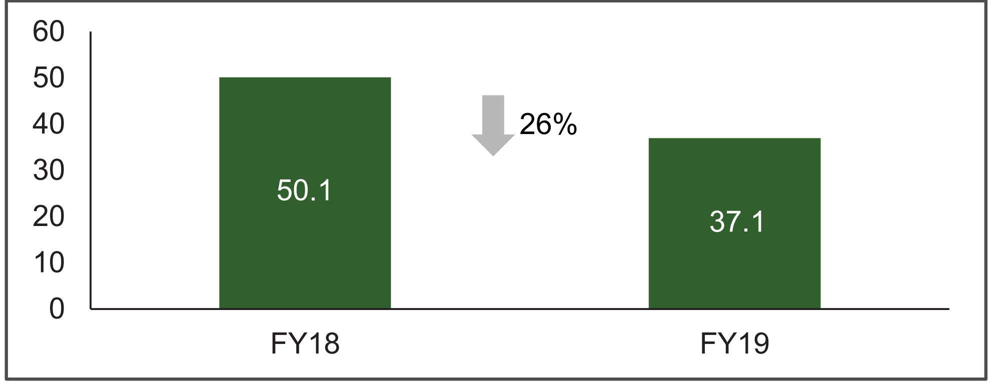
FY19 result

Underlying EBITDA of $37.1 million within $35–38 million guidance range

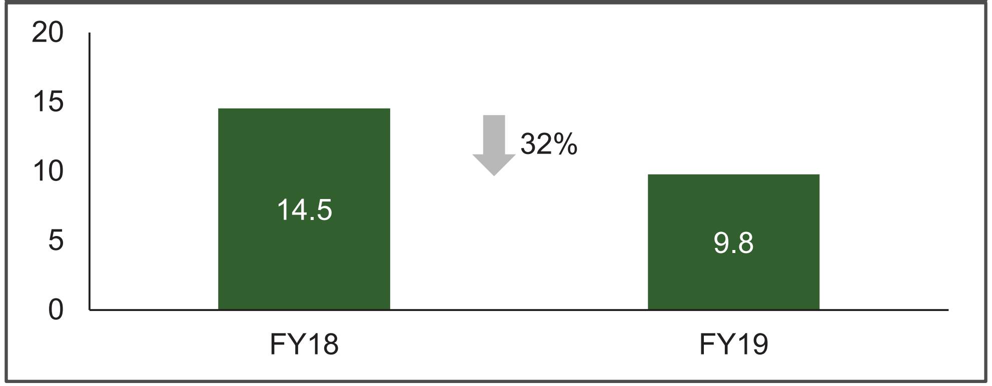
Net revenue ($m)



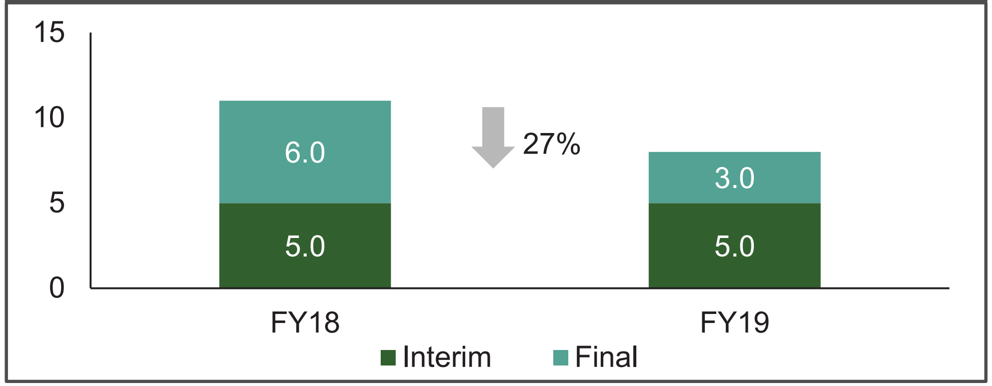
Underlying EBITDA ($m)



Underlying earnings per share (cents)[1]



Dividends per share (cents)



Note:
1 FY19 underlying EPS calculated using weighted average shares outstanding for the period of 223.0 million. FY18 underlying earnings adjusted for interest expenses associated with the Company's corporate debt facility extinguished with IPO proceeds. Accordingly underlying EPS calculated using 214.1 million shares on issue after IPO in FY18.

FY19 – executive summary

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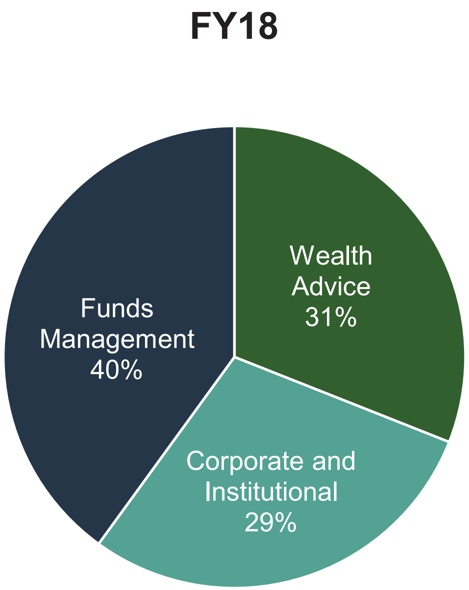
Result impacted by a decline in transaction revenues, but steady growth in core revenue lines

Business performance	◊ Core business drivers remain positive: – net client numbers up approximately 300, with strong growth in Evans and Partners HNW client base – FUA and FUM up 10% and 21% respectively, supported by markets, client growth and new fund raisings – institutional equities net revenue up 12%, continues to increase market share – Corporate Advisory deal pipeline remains encouraging ◊ Lower transaction activity and new product issuance in Funds Management which also impacts capital markets revenue in both Wealth Advice and Corporate and Institutional. ◊ Significant investment in growth post IPO and increased regulatory and compliance costs have led to a higher fixed cost base reducing operational leverage ◊ Strategically important funds raised in 2H19 including LSE-listed US Solar Fund
Addressing key challenges	◊ Management restructure – Peter Anderson appointed CEO and executive search for new CFO ◊ Operational review is well progressed with a focus on efficiencies and improving business integration ◊ US Masters Residential Property Fund (URF) – new leadership implementing the Responsible Entity's strategy to close share price/NAV gap ◊ Focused on broadening client base and product distribution ◊ Opportunity across the business to leverage financial and operational discipline
Dividend and balance sheet	◊ 2H19 dividend of 3.0 cents per share fully franked, down on 6cps in 2H18 ◊ Full year dividend of 8 cents per share represents a payout ratio of 85%, at the upper end of targeted range ◊ Strong net cash balance of $30 million

FY19 earnings composition

Underlying EBITDA contribution by segment[1]



Wealth Advice (FY19: A$14.7m)

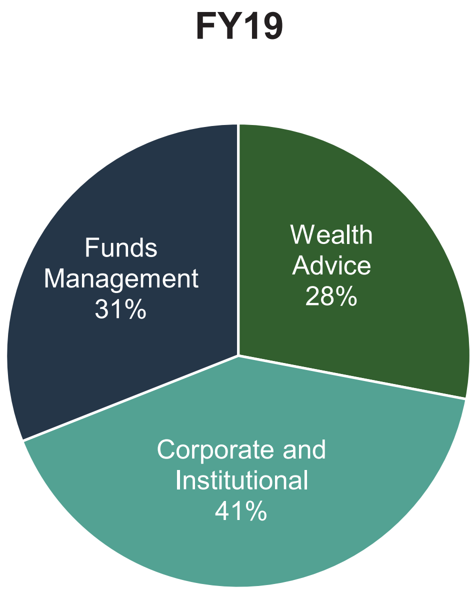
- Significant reduction in new product offers relative to strong FY18
- Steady growth in client based advice, service and brokerage fees
- Over 70% of FUA on an annual service fee arrangement

Corporate and Institutional (FY19: A$21.4m)

- Strong M&A revenue contribution following Fort Street acquisition
- Lower capital markets contribution – reduction in fund raisings for Funds Management investment strategies relative to strong FY18
- 12% growth in institutional equities revenue – continued market share growth

Funds Management (FY19: A$15.9m)

- 17% growth in FUM based revenue
- Less asset acquisition activity in real asset funds and lower performance fees
- Higher expenses from transitioning to direct listed equities business
- Upfront cost attached to new fund raisings



Note:
1 Underlying EBITDA before unallocated corporate expenses

Evolving financial services sector

Affirms strengths and presents challenges

Financial Services Royal Commission and scrutiny is changing the wealth advice market

Industry challenges

- Changing fee/advice model
- Increasing adviser professionalism standards
- Increasing cost of compliance
- Evolving regulation and industry rationalisation
- Growth of industry superfunds

Wealth Advice strengths

- Fee for service model
- High level of adviser education
- Strong compliance systems and culture
- Investment in adaptable IT and client interface
- Well positioned in high value client segments
- Client first ethos and service

For Corporate and Institutional, competition and global regulatory reform is changing market dynamics

Industry challenges

- Fee pressures
- Volatile macro environment
- Increasing compliance burden
- Concentration of client base

Corporate and Institutional strengths

- Strong relationships – long-term partnership model
- High touch client interaction
- High quality advice and product
- Bulge bracket experience in a boutique structure

Funds management industry evolving to manage margin pressure and changing distribution models

Industry challenges

- Changing fee model expectations
- Product distribution channels and associated costs
- Growth of passive management
- Internalisation of industry fund investment management

Funds Management strengths

- Diverse offering – thematically driven product set
- Focus on real assets and differentiated asset exposures
- Strong market understanding and idea generation
- Diversifying distribution channels

Section 2 FY19 operating performance

David Evans

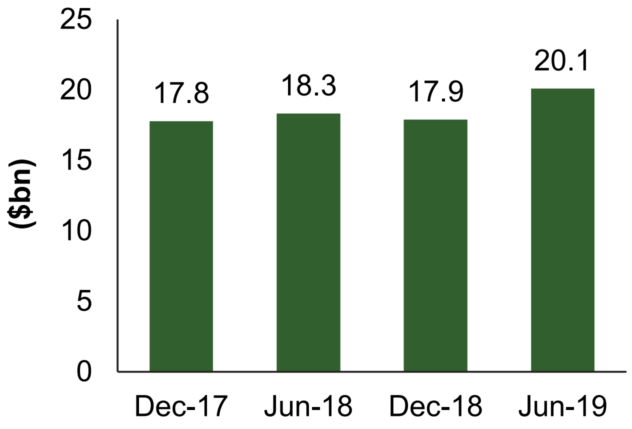
Key medium term business drivers solid over FY19

Wealth Advice

Funds under advice ($bn)

$20.1bn

10% on pcp

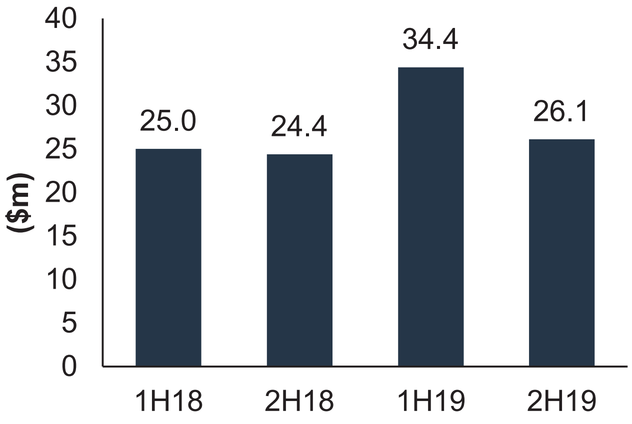


Corporate and Institutional

Revenue ($m)

$60.5m

22% on pcp

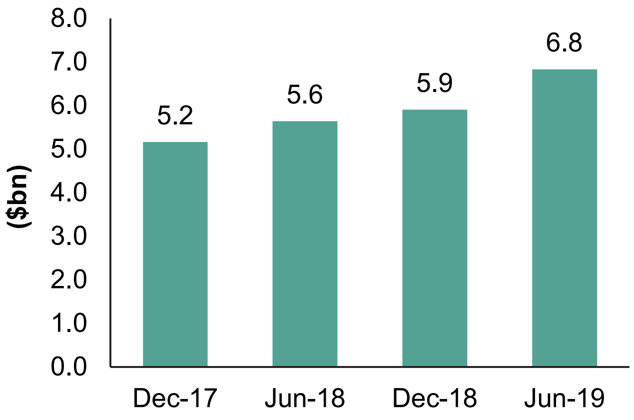


Funds Management

Gross funds under management ($bn)

$6.8bn

21% on pcp



Wealth Advice

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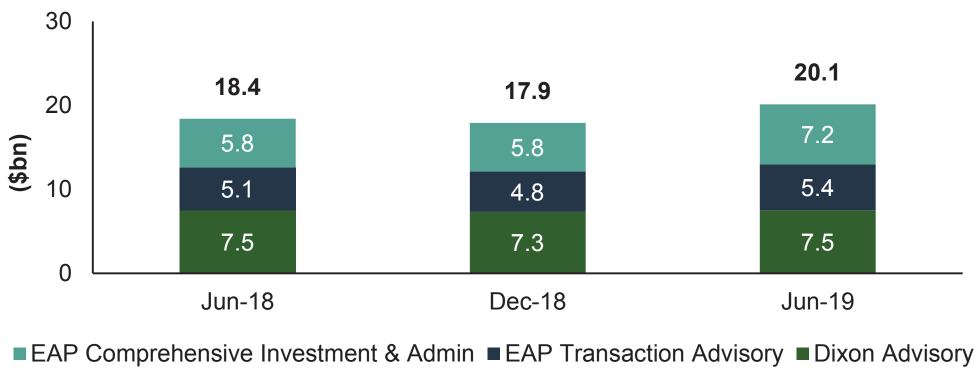
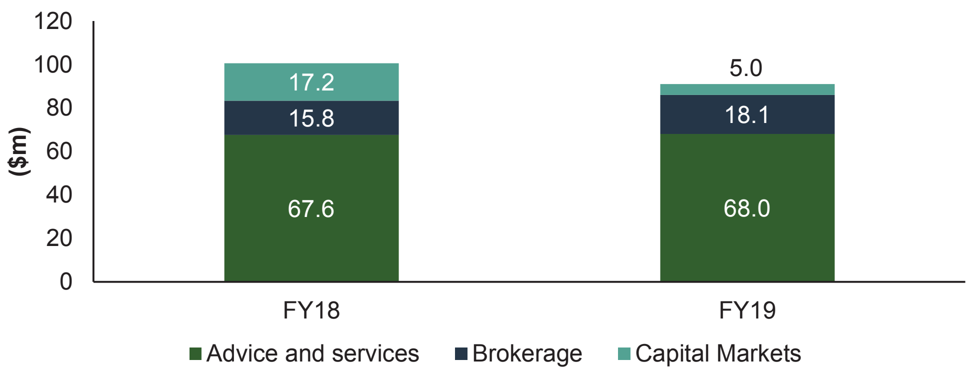
FY19 business overview

- Solid performance across Wealth Advice brands:
  - FY19 FUA up 21%; average FUA up 6% on pcp
  - total client numbers up by more than 300 to over 9,300 – good net growth in Evans and Partners business and Dixon Advisory numbers stable
  - stable base of recurring revenue from SMSF administration and portfolio investment advice
- Lower capital markets revenue due to a reduction in new product issuance and corporate activity relative to a strong FY18
- Wealth Advice business undergoing change to leverage broader business strengths and respond to changing market conditions
  - Integrated Investment Committee approach launched across wealth advice offering leveraging investment expertise across the platform
  - commitment to open architecture advice model reinforced by improved client access to leading local and global asset managers via distribution partnerships
- Business well positioned targeting affluent and high net wealth client segments

Funds under advice by service type



Revenue mix



Wealth Advice

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Well positioned to confront industry challenges

Adviser education	◊ Well placed relative to industry with over 90% of advisers already Bachelor degree qualified or greater ◊ Key focus on internal staff training, development and a significant consideration for adviser recruitment well ahead of FASEA new education standards ◊ Significant potential industry disruption – UK experience saw 23% of advisers leave industry prior to and following implementation of higher education and compliance standards[1]
Adviser fees and remuneration	◊ Negligible business exposure to grandfathered commissions ◊ Fee for service model since inception ◊ Dixon advisers' remuneration scorecard based on compliance, client engagement and training and development
Regulatory and compliance burden	◊ In-house developed advice technologies incorporate compliance by design and enables the business to effectively implement regulatory changes ◊ Multi-layered risk and compliance oversight of advice process ◊ Robust upfront and ongoing disclosures where there is any conflict of interest
Technology disruption	◊ Significant investment made in client focused advice technologies to drive adviser productivity, compliance and customer experience ◊ Significant in-house IT development team

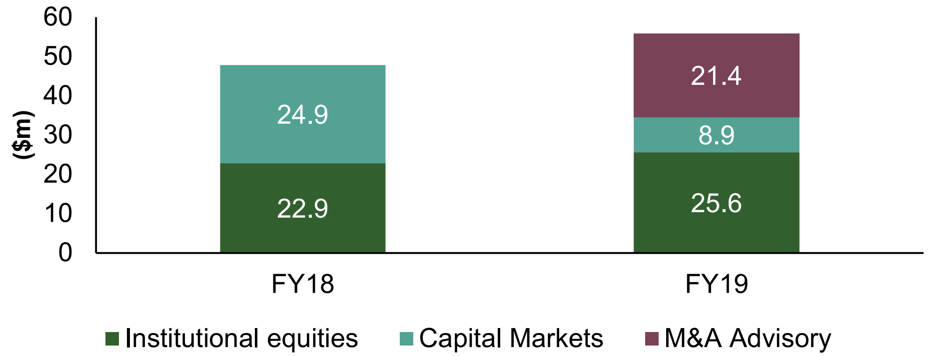
Note:
1 Europe Economics, "Retail Distribution Review Post Implementation Review", December 2014.

Corporate and Institutional

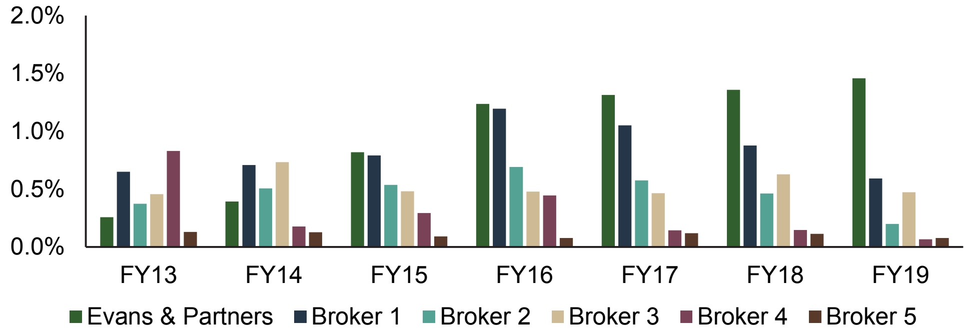
FY19 business overview

- Successful integration of Fort Street Advisers continues to deliver ahead of expectations with the combined platform offering strong growth potential
- FY19 was a year of strong growth, with a number of M&A and capital markets transactions successfully executed
- Weaker capital markets activity largely associated with a reduction in raisings for Funds Management investment strategies
- Capital markets revenues focused on external client transactions
  - leveraging corporate advisory, sales and distribution strength into increased share of capital markets transactions
- Relationship based, high touch broking model combined with quality research offering provides a differentiated service in a changing marketplace. Delivering increased market share and share of client wallet

Corporate and Institutional net revenue mix



Specials and crossings market share – selected Australian boutiques



Source: IRESS

Notes:
1 Corporate & Institutional formed following the acquisition of Fort Street Advisers in September 2018. In FY18 segment named Capital Markets.
2 FY18/19 Capital markets revenues includes fees earned from equity and debt capital markets transactions for both internal and external client transactions.
3 In future periods Capital Markets and M&A Advisory revenues will be combined and categorised as Corporate revenue.

Corporate and Institutional

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Combined business delivering strong performance

- Evans Dixon Corporate & Institutional (C&I) was created in September 2018 through the combination of Evans and Partners Institutional Sales and Research business and the acquisition of Fort Street Advisers
- Across both its corporate and institutional business, Evans Dixon offers clients a relationship driven, high touch and ideas focused execution in market sectors where the firm has clear expertise and knowledge
- Together with the strength of the Wealth Advice platform, C&I occupies a clear niche in the Australian financial services landscape:
  - integrated M&A and equity and debt capital markets team of ~20 experienced professionals
  - institutional sales team with a leading market share amongst Australian boutiques
  - research coverage of ~110 ASX listed stocks, with 8 lead analysts and a continued investment in high quality research
- C&I continue to build an encouraging pipeline of both advisory and capital markets transactions

REGAL FUNDS MANAGEMENT
May 2019
$282 million
Initial Public Offering
Joint Lead Manager

CARBON
May 2019
$75 million
Private Capital
Sole Adviser and Joint Lead Manager

Arena
May 2019
$50 million
Adviser to equity placement and security purchase plan

KKR
April 2019
~$200 million
Adviser to KKR in relation to its purchase of Coles' pub assets (Spirit Hotels Group)

MACQUARIE BANK
March 2019
$750 million
Capital Notes 4
Joint Lead Manager

PVH
February 2019
$301 million
Adviser to PVH Corp on scheme of arrangement to acquire Gazal Group

DEVICE TECHNOLOGIES
January 2019
~$700 million
Adviser to Device Technologies in relation to its acquisition by Navis Capital Partners

zenitas HEALTHCARE LIMITED
December 2018
$160 million
Adviser to Adamantem Capital and Liverpool Partners in relation to Scheme of Arrangement

ProTen
November 2018
$371 million
Adviser to ProTen in relation to the acquisition by First State Super via Scheme of Arrangement

QUALITAS
November 2018
$230 million
Initial Public Offering
Arrange and Lead Manager

GATEWAY LIFESTYLE
October 2018
$941 million
Defence adviser to Gateway Lifestyle in relation to control proposals from Brookfield and Hometown

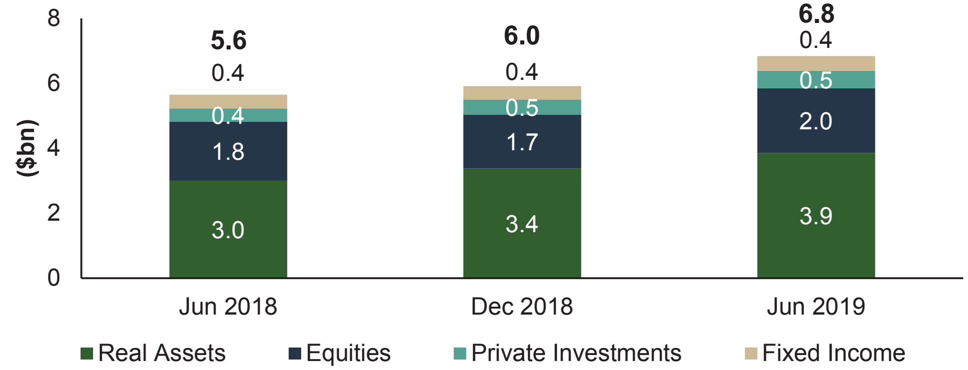
NEUBERGER BERMAN
August 2018
$414 million
Initial Public Offering
Joint Lead Manager and Arranger

Funds Management

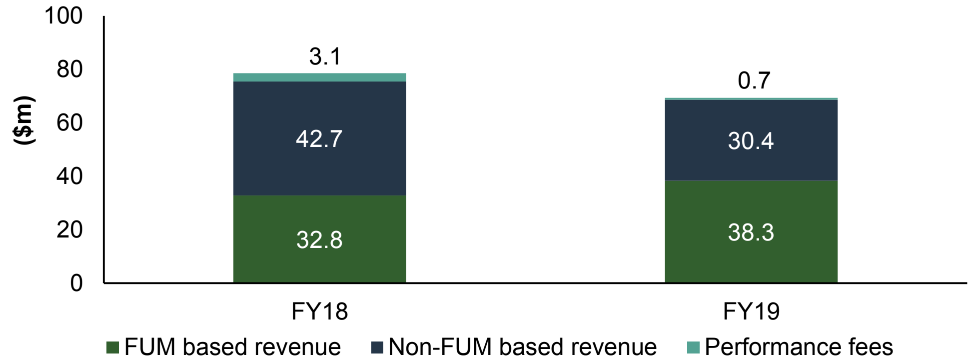
FY19 business overview

- FUM based revenue grew 17% in FY19. FUM increased 21% to A$6.8 billion supported by market growth, positive investment returns and new fund raisings
- Decline in non-FUM based revenue reflects reduced transaction fees as New Energy Solar brings its current portfolio into operation and waived URF transaction fees
- Prior 12–24 months has seen significant work and investment to position the business as a key player in wealth sector and broaden the investor base:
  - equity funds transitioned to direct investment trusts from fund of funds
  - investment team recruited to manage direct equity investment
  - key thematic products launched to provide market opportunities for clients
  - increased FY19 costs associated with internalising investment teams and new product launches
- Diversification of distribution channels ongoing, with good progress in FY19:
  - accessed UK institutional market to raise US$200 million for US Solar Fund plc
  - strong distribution network built with IFA channel raising funds for both internal and external products
  - seeking product ratings for equity funds as they build track record

Funds under management



Net revenue



Notes:
1 Funds under management as at 30 June 2019.
2 FUM based fees include share of equity income from joint ventures.

Funds Management

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Strong performance across thematically diverse equities fund platform and fixed income

Thematically driven investment philosophy leverages expertise from across the Group

Since inception total returns (to 30 June 2019)	FUM ($m)	Inception date	Unit price		NTA[1]	
			Return (p.a.)	vs index	Return (p.a.)	vs index
High conviction/thematic equities investing						
Evans and Partners Global Disruption Fund (ASX: EGD)	265	25 Jul 17	17.4%	3.2%	20.0%	5.8%
Evans and Partners Global Flagship Fund (ASX: EGF)	196	6 Jul 18	14.3%	3.0%	15.9%	4.6%
Evans and Partners Asia Fund (ASX: EAF)	152	14 May 18	0.8%	1.3%	3.2%	3.6%
Evans and Partners International Fund[2]	54	18 Feb 14	14.9%	2.7%	-	-
Evans and Partners International Focus Portfolio[2]	737	20 May 11	17.2%	3.9%	-	-
Evans and Partners Australian Flagship Fund (ASX: EFF)	34	21 Jun 18	8.6%	-2.2%	11.8%	1.0%
Evans and Partners Global Healthcare Portfolio[2]	6	8 Nov 18	6.1%	0.3%	-	-
Evans and Partners Australian Equities Growth Portfolio[2]	175	16 Mar 11	11.8%	0.9%	-	-
Evans and Partners Australian Equities Income Portfolio[2]	26	16 Mar 11	10.9%	0.0%	-	-
Australian Governance and Ethical Index Fund (ASX: AGM)	42	9 Jul 18	11.4%	0.5%	12.2%	1.30%
Fixed Income						
Evans and Partners Diversified Income Portfolio[2]	376	14 Jun 11	5.4%	2.3%	–	–
Evans and Partners Defensive Plus Portfolio[2]	3	19 Oct 15	3.0%	0.8%	–	–

Notes:
1 NTA provided for listed registered managed investment schemes only.
2 Unlisted funds or managed account portfolio.
3 Illustrative performance of a $100,000 investment after fees since inception with dividends reinvested.
4 Past performance is not a reliable indicator of future financial performance.

Funds Management

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Real Asset and Private Investment funds delivering good underlying asset performance and yield

Fund strategies developed in response to client demand for access to differentiated asset exposures

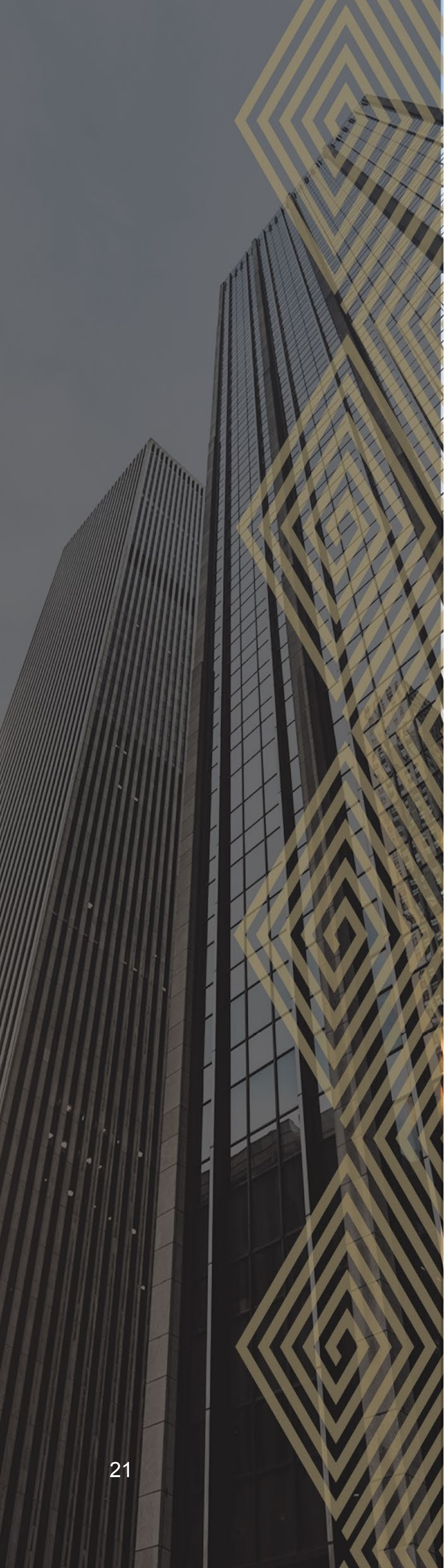
Since inception total returns (to 30 June 2019)	FUM ($m)	Inception date	Returns (p.a.)	
			Unit price[1]	NTA[1]
Real Assets				
New Energy Solar Fund (ASX: NEW)	1,294	31 Mar 16	-2.8%	4.3%
US Solar Fund (LSE: USF)	279	16 Apr 19	1.0%	0.0%
US Masters Residential Property Fund (ASX: URF)	1,510	28 Jun 11	-2.0%	5.6%
Fort Street Real Estate Capital Fund I	252	3 Jul 13	-	10.7%
Fort Street Real Estate Capital Fund II	180	20 Jun 14	-	5.6%
Fort Street Real Estate Capital Fund III	222	7 Dec 16	-	0.4%
Fort Street Real Estate Capital Fund IV	119	1 Jun 18	-	-0.5%
Private Investments				
Cordish Dixon Fund I (ASX: CD1)	77	13 Aug 12	9.3%	12.0%
Cordish Dixon Fund II (ASX: CD2)	134	5 Apr 13	9.8%	12.7%
Cordish Dixon Fund III (ASX: CD3)	129	26 Jul 16	-1.9%	5.3%
Cordish Dixon Fund IV	76	30 Apr 18	-	9.1%
CVC Emerging Companies Fund	44	18 Apr 19	-	5.7%
Venture Capital Opportunities Fund (Square Peg)	18	17 Jul 18	-	-

Notes:
1 Unit price and NTA provided for listed registered managed investment schemes only.
2 Illustrative performance of a $100,000 investment after fees since inception with dividends reinvested.
3 Past performance is not a reliable indicator of future financial performance.

Funds Management

Outlook for key fund thematics

	Key milestones for FY19	Outlook/comment
Real Assets	◊ New Energy Solar fully invested and on target for portfolio to be fully operational ◊ US Solar Fund US$200m IPO on LSE, first two assets secured ◊ FSREC Fund IV closed on first asset ◊ URF – work underway to close price/NTA gap and repay Notes II and III	◊ Positive outlook for attractive, risk-adjusted yield products in low yield environment ◊ Disruption in energy sector presents strong opportunity for early mover renewable investor – leverage position as fifth largest listed pure solar energy investor globally and pipeline of ~$2 billion potential US asset transactions ◊ Access to UK institutional market by US Solar Fund establishes relationships in that market ◊ Property opportunities through Fort Street Real Estate Capital venture tempered by influx of capital and impact on asset prices
Private Investments	◊ Mature Cordish Dixon (CD) Funds (I and II) delivering NTA returns >20% and CDIII returning >15% (last 12 months); ◊ CD IV fully committed ◊ CVC Emerging Companies Fund raised $44m from wholesale investors, first three assets secured ◊ Venture Capital Opportunities Fund – early agreement reached for first asset realisation (PureSec) at two times initial investment	◊ All funds are performing well and consistently with their life cycle stages ◊ Maturing Cordish Dixon funds delivering attractive returns highlighting the benefit of this realisation phase ◊ Future series will depend on market conditions
Key thematic equities	◊ International Focus Fund ranked Zenith #1 global fund for the year to 30 June 2019 ◊ One year milestone for four new strategies – Global Flagship Fund, Asia Fund, Australian Flagship, and Australian Governance and Ethical ◊ Global Healthcare Fund launched December ◊ Global Disruption Fund +17.4% pa. since inception	◊ Direct equities platform now established with strong initial performance statistics ◊ Opportunity for broader distribution for more established consistently performing funds ◊ Leverage investment team expertise into long-term growth thematics



Section 3 Financial results

Warwick Keneally

Consolidated financial result

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For the period $m	FY19	FY18	Variance to FY18	Variance to FY18
Total revenue[1]	238.6	239.4[2]	-0.8	0%
Net revenue	**212.1**	**223.2**	**-11.1**	**-5%**
Direct expenses	-119.0	-116.4	-2.6	2%
Allocated overheads	-56.0	-56.7	0.7	-1%
Underlying EBITDA	**37.1**	**50.1**	**-13.0**	**-26%**
Non-recurring items	-2.0	-11.5	9.5	-83%
EBITDA	**35.1**	**38.7**	**-3.6**	**-9%**
D&A	-6.6	-5.7	-0.9	16%
Amortisation of acquired intangibles	-3.8	-1.7	-2.1	124%
Net interest income/expense	0.7	-3.7	4.4	-119%
Income tax expense	-8.6	-8.3	-0.3	4%
Statutory NPAT	**16.8**	**19.3**	**-2.5**	**-13%**
Underlying NPATA	**21.8**	**31.1**	**-9.3**	**-30%**
Underlying EPS (cents per share)	**9.8**	**14.5**	**-4.7**	**-32%**
Effective tax rate (%)	34	30	4	13%
Underlying EBITDA margin (%)	18	23	-5	-22%
Underlying NPATA margin (%)	10	14	-4	-26%

1. Prior year restated due to URF related contractual change. See Appendix for details.
2. Underlying EBITDA is before acquisition and listing costs, one-off pre IPO integration payments and other non-recurring items.
3. Largely driven by investment in IT infrastructure.
4. Related to merger, Fort Street Acquisition and one-off pre IPO payments.
5. Previous debt balance repaid with IPO proceeds.
6. Elevated effective tax rate in FY19 following the introduction of employee share plan and movements in US deferred tax assets.

Notes:
1 Excludes interest income of $0.9 million and other non recurring items of -$0.4 million.
2 Represents restated amount. FY18 total revenue excluding interest income before adjustment was $305.8 million. See Appendix side 35 for details of restatement.

FY19 divisional contributions

FY19 underlying EBITDA

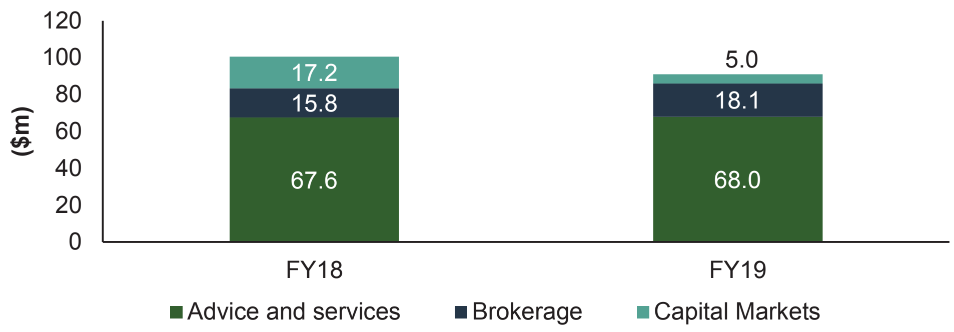
Wealth Advice – segment results

Wealth Advice

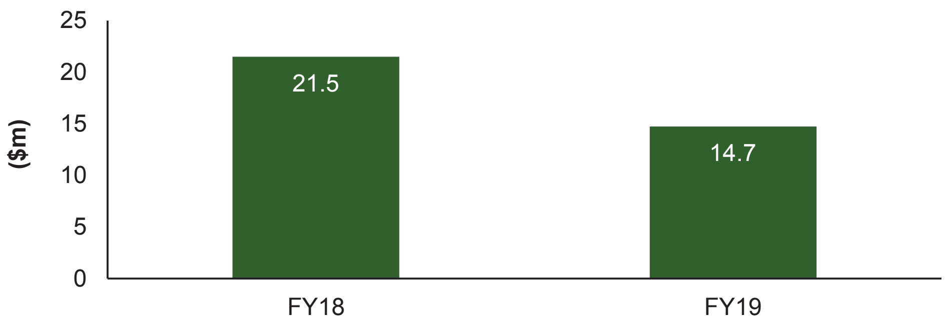
For the period ($m)	FY19	FY18	Variance to FY18	Variance to FY18
Total revenue	91.1	100.6	-9.5	-9%
Net revenue	86.8	96.8	-10.0	-10%
Direct expenses	-53.1	-57.5	4.4	-8%
Allocated overheads	-19.0	-17.8	-1.2	7%
Underlying EBITDA	**14.7**	**21.5**	**-6.8**	**-32%**
Underlying EBITDA margin (%)	17	22	-5	-23%
Closing FUA	20,095	18,323	1,771	10%
Average FUA	18,937	17,793	1,144	6%
Advice and Service revenue to FUA margin (bps)[2]	36	38	-2	-5%

- Growth in Advice, service and brokerage fees offset by reduced capital markets activity and new Funds Management product issuance
- Advice and Service margin impacted by asset based fee caps relative to strong FUA growth
- Strong growth in brokerage driven by client growth, higher FUA and trading activity

Revenue



Underlying EBITDA



Notes:
1 FY18 average FUA from September 2017 to June 2018 due to data availability.
2 Excludes Brokerage and Capital Markets revenue.

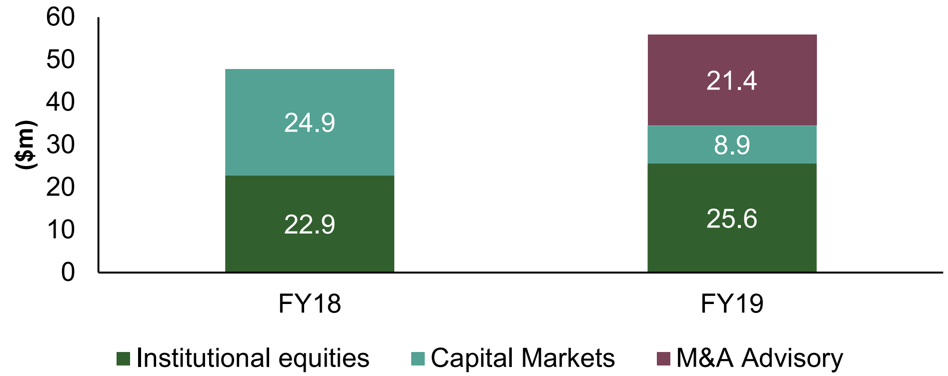
Corporate and Institutional – segment results

Corporate and Institutional

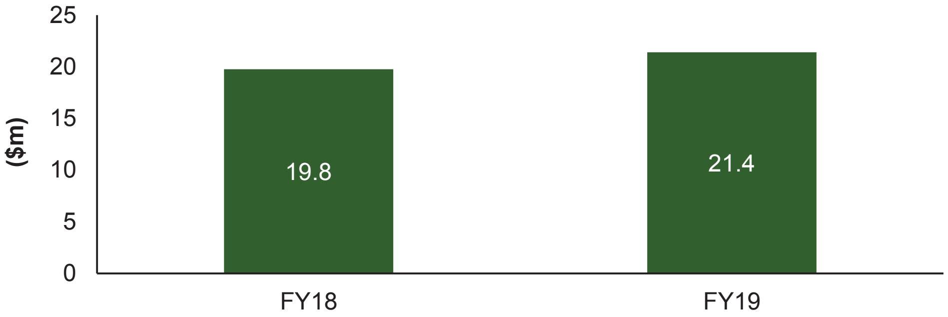
For the period ($m)	FY19	FY18	Variance to FY18	Variance to FY18
Total revenue	60.5	49.4	11.1	22%
Net revenue	55.9	47.8	8.1	17%
Direct expenses	-25.0	-20.2	-4.8	24%
Allocated overheads	-9.5	-7.8	-1.7	22%
Underlying EBITDA	**21.4**	**19.8**	**1.6**	**8%**
Underlying EBITDA margin (%)	38	41	-3	-7%

- Underlying EBITDA was up by 8% as revenue and expenses were impacted by the acquisition of Fort Street Advisers in September 2018
- The addition of M&A advisory revenue and good growth in institutional equities offset a weaker capital markets contribution
- Capital markets revenue in FY19 was impacted by a reduction in debt and equity raising for Funds Management products

Net revenue



Underlying EBITDA



Notes:
1 Corporate & Institutional formed following the acquisition of Fort Street Advisers in September 2018. In FY18 segment named Capital Markets.
2 FY18/19 Capital markets revenues includes fees earned from equity and debt capital markets transactions for both internal and external client transactions.
3 In future periods Capital Markets and M&A Advisory revenues will be combined and categorised as Corporate revenue.

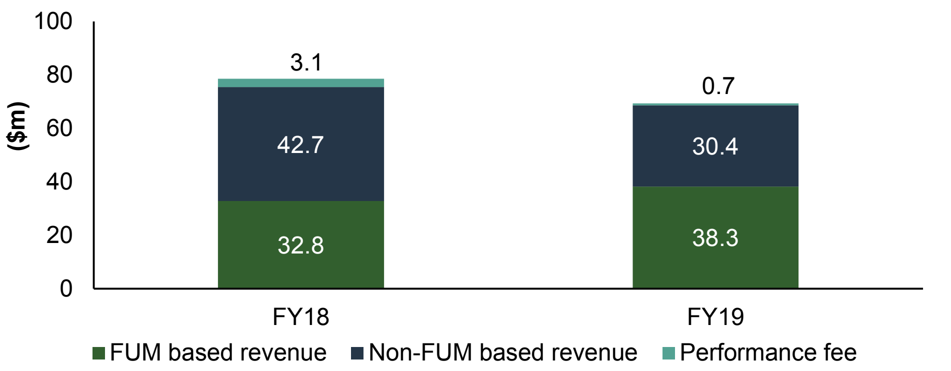
Funds Management – segment results

Funds Management

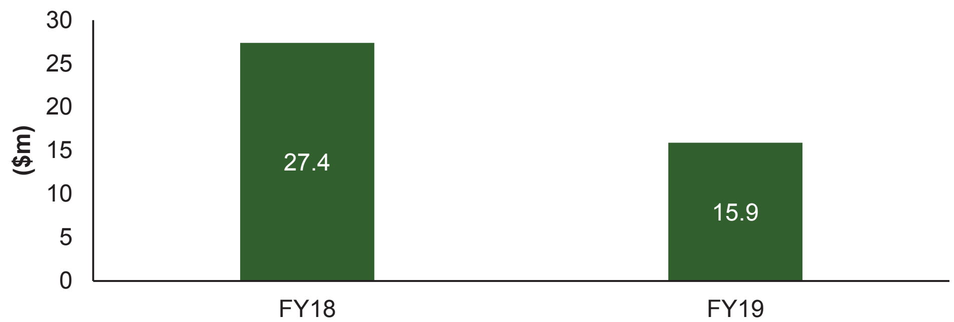
For the period ($m)	FY19	FY18	Variance to FY18	Variance to FY18
Total revenue[1]	87.0	89.5	-2.5	-3%
Net revenue	69.4	78.6	-9.2	-12%
Direct expenses	-40.9	-38.6	-2.3	6%
Allocated overheads	-12.6	-12.6	0.0	0%
Underlying EBITDA	**15.9**	**27.4**	**-11.5**	**-42%**
Underlying EBITDA margin (%)	22.9	34.8	-11.9	-34%
Closing FUA	6,838	5,644	1,194	21%
Average FUA	6,109	5,149	960	19%
FUM based fee margin (bps)	63	64	-1	-2%

- 42% decline in EBITDA as net revenues impacted by lower transaction and performance fees set against a 6% increase in direct and overhead expenses
- Net revenue composition changing with 17% growth in FUM-based fees, offset by a 29% drop in non-FUM based fees related to reduced activity in real asset funds and waived acquisition and leasing fees related to URF
- Direct expenses increases related to transition of equity funds from fund of funds to direct investment, internalisation of fund operating costs and upfront costs of new fund launches in 2H19

Net revenue



Underlying EBITDA



Note:
1 FY18 represents restated amount, total revenue before adjustment was $155.9 million, see appendix for restatement. FY19 excludes non recurring items of -$0.4 million.

Expense analysis

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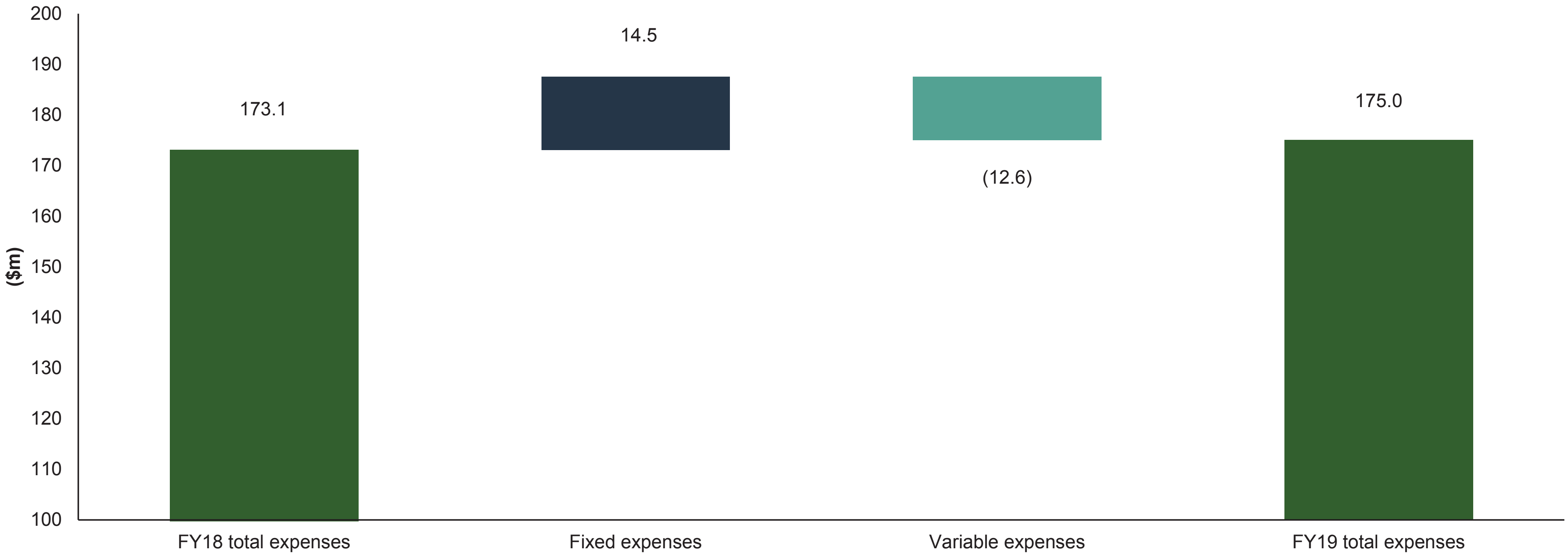
Fixed expense growth partially offset by reduction in variable expenses; strong cost focus in FY20



- Increase in fixed and operating expenses from:
  - investment for growth yet to deliver revenue return
  - acquisition of Fort Street Advisers in period
  - higher costs associated with being a listed company; and
  - investment in risk and compliance framework
- Reduction in variable expenses driven by lower variable remuneration given weaker operational performance in FY19
- In FY20 there will be a strong focus on delivery of cost efficiencies across the business, particularly through leveraging improved business integration

Notes:
1. Expense analysis does not include cost of sales

Strong balance sheet

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Strong financial position supports strategic flexibility

For the period ($m)	FY19	FY18	Variance to FY18	Variance to FY18
Cash and cash equivalents	45.3	89.1	-43.8	-49%
Intangibles	157.8	117.9	39.9	34%
Trade and other receivables	21.2	30.2	-9.0	-30%
Financial assets	23.1	0.9	22.2	2,467%
Other assets	49.5	33.6	15.9	47%
Total assets	**296.9**	**271.7**	**25.2**	**9%**
Borrowings	-15.0	0.0	-15.0	
Trade and other payables	-14.1	-17.4	3.3	-19%
Other liabilities	-50.0	-52.7	2.7	-5%
Total liabilities	**-79.1**	**-70.1**	**-9.0**	**13%**
Net assets	**217.8**	**201.7**	**16.1**	**8%**

- Net assets of $217.8 million up 8% from 30 June 2018
- Strong net cash balance of $30.3m
- Utilised bank facility during period to finance portion of US$15m investment in US Solar Fund

Cashflow bridge

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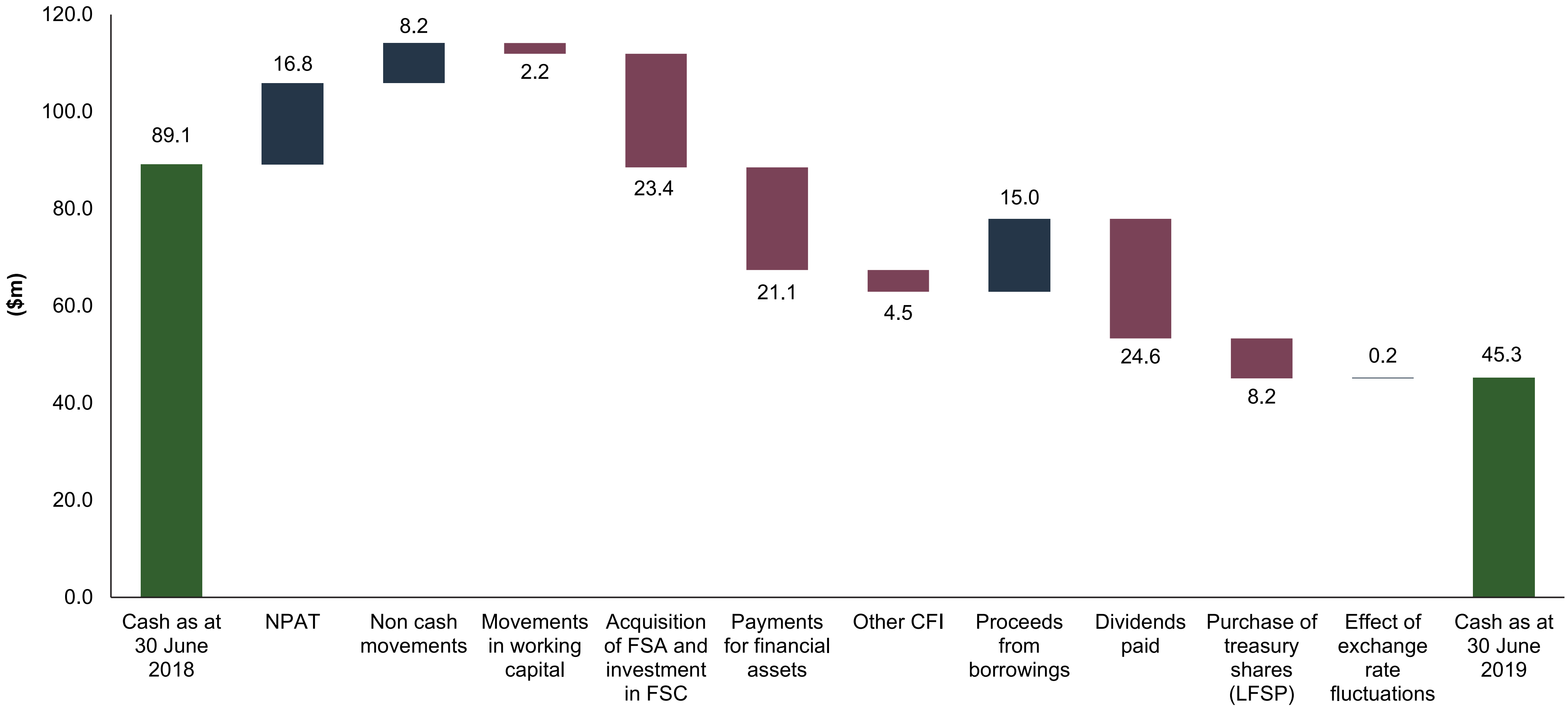

Section 4 CEO First impressions and outlook

Peter Anderson – Chief Executive Officer

Management restructure

Appointment of new Chief Executive Officer

- Peter Anderson appointed CEO effective 8 July. Formerly Executive Chairman McGrath Nicol
- A highly respected restructuring specialist, with more than 25 years' experience having led a number of large and complex engagements in Australia and internationally
- Peter Anderson has stepped down from the ED1 Board pending the appointment of an additional Non-Executive Director
- Warwick Keneally appointed interim CFO. Executive search implemented for full time appointment

Initial key priorities

- Completion of operational review and its implementation
- Strong focus on:
  - cost optimisation
  - leverage improved business integration for growth
- Stabilisation of URF
- Staff, client and shareholder engagement

Framework for operational review

- **Process:** Adopting the Argenti Strategic Management System, a methodical and proven planning approach
- **Scope:** Critically assess Group business model and make changes necessary to support internal return on equity targets
- **Timeline:** Operational review well progressed and implementation commenced during 1H20
- **Outcome:** Provide a clear strategic focus for a more integrated and efficient business that effectively leverages our key strengths and opportunities

First impressions

Key business strengths create a good base to work off

- Recurring revenue base exhibiting steady growth – growth in FUA, FUM and client numbers
- High quality, motivated management team and workforce – strongly aligned with shareholders
- Addition of premium Corporate Advisory capability can be leveraged for corporate and transactional activity across the business
- Long-standing and trusted client relationships
- Fee for service advice model
- Broad suite of diversified and well performing investment products
- Strong risk and compliance infrastructure
- Excellent in-house systems, compliance and IT infrastructure
- Strong balance sheet

Looking ahead

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Near term focus and outlook	◊ Implementation of operational review outcome with expectation of material cost efficiencies and significantly improved cross business integration ◊ Corporate advisory transaction pipeline remains encouraging although execution is subject to market volatility and period-end timing differences ◊ Based on cost reduction initiatives actioned to date and business activity levels, we expect an improvement from our 2H19 performance such that the Group's FY20 result is expected to be broadly in line with FY19. This outlook remains subject to: – market conditions – the completion of corporate advisory transactions – potential regulatory changes ◊ Target dividend payout ratio remains 75–85% of underlying NPATA
Positioned for medium term growth	◊ Wealth Advice attractively positioned to target growing need for advice in Affluent and HNW segments – opportunities to grow in highly disrupted market ◊ Corporate and Institutional focused on strong relationships and increasing market share ◊ Scaleable Funds Management business ◊ Continued focus on broadening Funds Management client base, distribution and thematic product set ◊ Experienced management team focused on extracting business efficiencies and improving integration

Appendix

Updates to prior comparable period

FY18 revenue restated for change in certain contractual arrangements

For the period $m	FY19	FY18 previous	Restated amount	FY18 restated
Total revenue[1]	238.6	305.8	-66.4	239.4
Cost of sales	-26.5	-82.6	66.4	-16.2
Net revenue	**212.1**	**223.2**	–	**223.2**
Underlying EBITDA	**37.1**	**50.1**	–	**50.1**

Key changes to contractual arrangements

- As previously disclosed, from 1 July 2018 the Group restructured certain contractual arrangements with a subsidiary of Dixon USA Inc. relating to services provided to the ASX listed US Masters Residential Property Fund (URF). The effect is an equal lowering of ED1's Gross Revenues and related Cost of Sales, hence the restatement above in FY18. The expenses were those which Dixon USA incurred as principal in respect of 3rd party building contractors and general operating expenses of URF[1]. The Gross Revenue represented recharge to URF inclusive of a service fee
- FY18 revenue and cost of sales restated for comparability with FY19
- No impact to FY18 net revenue

Notes:
1 Excludes interest income.
2 Prior to 1 July 2018 these expenses were presented in Evans Dixon's consolidated statement of profit and loss and primarily comprised of property design, renovation and maintenance expense, employee benefits expense, administrative expenses and occupancy expenses.

Underlying reconciliation

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Reconciliation of EBITDA and statutory NPAT as stated in the annual financial report to underlying EBITDA and underlying NPATA

For the period $m	FY19	FY18
EBITDA	**35.1**	**38.7**
Public company costs	–	(0.5)
One off payments prior to listing	–	10.5
Listing costs	–	1.3
Acquisition related expenses	1.2	0.1
Other items	0.8	–
Underlying EBITDA	**37.1**	**50.1**
Statutory NPAT	**16.8**	**19.3**
After tax amount of above adjustments	1.5	7.4
Amortisation of acquired intangibles	3.2	1.4
Costs of extinguishing corporate debt facility	–	3.0
Other tax adjustments	0.3	–
Underlying NPATA	**21.8**	**31.1**

Note:
The FY19 underlying EBITDA adjustments include $1.2 million in expenses relating to the acquisition of Fort Street Advisers, due diligence expenses and other pre-acquisition expenses relating to Evans & Partners ($0.9 million after tax) as compared to $0.1 million in adjustments for FY18 ($0.1 million after tax). Additional FY19 adjustments include $0.8 million in the revaluation of investment in jointly controlled entities arising from changes to New York state legislation and items relating to employee termination payments ($0.6 million after tax). FY18 underlying EBITDA has been adjusted for -$0.5 million in additional costs expected to have been incurred as a public company (-$0.4 million after tax), $10.5 million relating to one-off payments made to the Executive Chairman and CEO prior to the IPO whilst a private company ($6.7 million after tax), and $1.3 million of costs incurred in the IPO including legal and Investigating Accountant fees, prospectus costs and ASX listing costs ($0.9 million after tax).

FY19 underlying NPATA after tax adjustments include $3.2 million relating to amortisation of intangible assets that arose from the merger with Evans & Partners, acquisition of Fort Street Advisers and the company's IPO (FY18: $1.4 million).

Evans Dixon business overview

Evans Dixon operates three major business segments supported by a suite of in-house services

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Group solutions	**Shared services across the Group including proven market differentiated outcomes in HR, IT, compliance and marketing**					
Business segment	**Wealth Advice**		**Corporate & Institutional**		**Funds Management**	
Brands	EVANS & PARTNERS	dixonadvisory	EVANS DIXON	EVANS & PARTNERS	WALSH & COMPANY ASSET MANAGEMENT	EVANS & PARTNERS
Services	◊ Investment advice ◊ Securities trading ◊ Managed accounts ◊ Portfolio administration	◊ Financial strategy ◊ SMSF administration and compliance ◊ Estate planning	◊ M&A, ECM & DCM and general corporate advisory ◊ IPO and Pre-IPO advisory	◊ Securities trading ◊ Equities sales & research	◊ Direct equities investment management ◊ Asset management ◊ RE and fund administration services ◊ Project management, design and architecture services	◊ Direct equities investment management ◊ Debt securities investment management
Revenue type	**Advisory & service fees and brokerage**	**Advice and administration fees**	**Advisory and capital raising fees**	**Brokerage fees**	**Management, transaction and performance fees**	
Clients	HNW/ wholesale investors	Affluent SMSF investors	Corporates and institutional investors	Corporates and investment funds	Wholesale and retail investors	

Funds Management

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Funds management suite by thematic focus

	Listed global equity					Real assets		
	Disruption	Concentrated value	High conviction Global	Asia	Healthcare	Real estate		Sustainable infrastructure
FUND	◊ E&P Global Disruption Fund/Portfolio	◊ E&P International Fund ◊ E&P International Focus Portfolio	◊ E&P Global Flagship Fund	◊ E&P Asia Fund	◊ E&P Global Healthcare Portfolio	◊ US Masters Residential Property Fund	◊ Fort Street Real Estate Capital Fund series	◊ New Energy Solar ◊ US Solar Fund
FUM[1]	◊ $409 million	◊ $839 million	◊ $196 million	◊ $152 million	◊ $6 million	◊ $1,510 million	◊ $773 million	◊ $1,573 million
VEHICLE	◊ Listed fund ◊ Managed accounts	◊ Two unlisted funds ◊ Managed accounts	◊ Listed fund	◊ Listed fund	◊ Managed accounts	◊ Listed fund	◊ Four unlisted funds	◊ Listed business (ASX and LSE)
RATIONALE	◊ Exposure to global companies that benefit from disruptive innovation ◊ Benefiting from increased growth in technology companies ◊ Convenient investment platform to access disruption thematic	◊ Exposure to securities with high levels of business, balance sheet and management qualities ◊ Attractive valuations ◊ Simple and conservative investment approach integral to capital preservation	◊ Exposure to global equities exposure for attractive risk-adjusted returns ◊ Active management of concentrated portfolio ◊ Stock selection based on corporate governance, liquidity, risk management and valuations ◊ Targeted consistent distributions	◊ Access to one of the fastest growing regions in the world ◊ Macro thematics of attractive demographics and growing consumerism ◊ Active portfolio management to screen for quality management and governance standards ◊ Targeted consistent distributions	◊ Access to global listed securities with broad healthcare focus ◊ Macroeconomic drivers such as ageing populations and shifting lifestyles ◊ Bottom up fundamental analysis of security valuation with strong quality screen	◊ Exposure to New York metro residential housing ◊ Established in 2011 benefiting from recovering US housing market and strengthening USD ◊ Significant portfolio of US assets	◊ Exposure to Australian commercial property ◊ Providing investors with stable yield and potential for growth ◊ Value add opportunities through active property management	◊ A solar energy infrastructure business ◊ Benefiting from shift towards renewables and increased competitiveness of solar ◊ Top 5 listed renewable energy company investing in solar ◊ Assets in Australia and US

Note:
1 Gross FUM as at 30 June 2019.

Funds Management

EVANS DIXON

	Australian equity					Private investments			Fixed income	
	High conviction	Governance	Growth	Income	Tax-effective	US private equity	Venture capital	Australian private equity	Diversified debt securities	
FUND	◊ E&P Australian Flagship Fund	◊ Australian Governance and Ethical Index Fund[2]	◊ E&P Australian Equities Growth Portfolio	◊ E&P Australian Equities Income Portfolio	◊ E&P Australian Zero Tax Portfolio	◊ Cordish Dixon Private Equity Fund series	◊ Venture Capital Opportunities Fund	◊ CVC Emerging Companies Fund	◊ Australian Masters Yield Fund series[4]	◊ E&P Diversified Income Portfolio ◊ E&P Defensive Plus Portfolio
FUM[1]	◊ \$34 million	◊ \$42 million	◊ \$175 million	◊ \$26 million	◊ \$109 million	◊ \$494 million	◊ \$18 million[3]	◊ \$44 million	◊ \$70 million	◊ \$379 million
VEHICLE	◊ Listed funds		◊ Managed accounts			◊ Three listed funds ◊ One unlisted fund	◊ Unlisted fund	◊ Unlisted fund	◊ Two listed funds	◊ Managed accounts
RATIONALE	◊ Exposure to concentrated portfolio with fundamental analysis and strong quality overlay ◊ Deep industry expertise and experience of Investment Committee and Portfolio Consultants ◊ Targeted consistent distributions	◊ Exposure to stocks that exhibit relatively high levels of governance, social, and environmental performance ◊ Companies expected to deliver stronger shareholder value ◊ Experienced Advisory Committee and Investment Manager	◊ Exposure to stocks that typically have earnings and distribution growth higher than that provided by the overall market ◊ Index agnostic with a balanced exposure across industries ◊ Bias towards capital growth	◊ Exposure to stocks that typically have a higher dividend yield with a higher franking benefit than that provided by the overall market ◊ Typically has a defensive bias ◊ Strong income stream for investors	◊ Designed specifically for the zero-tax paying investor ◊ Access to a higher dividend yield with a higher franking benefit than that available from the overall market ◊ Ability to utilise higher turnover rate due to zero-tax paying status	◊ Access to US mid market PE funds ◊ Participating in recovering US economy ◊ Unique access to assets, experience and networks through Cordish relationship	◊ Exposure to venture capital and experienced VC investment manager ◊ Identification of promising technologies and products ◊ Multi-geographic approach provides broader set of opportunities	◊ Exposure to investments in listed and unlisted growth and expansion stage companies ◊ High conviction, active approach investing in companies with proven business model ◊ Investment Team with strong track record	◊ Access to corporate debt securities diversified across sectors ◊ Attractive and stable rate of income ◊ Focus on issuers of sound credit quality, minimising default risk	◊ Exposure to secure and predictable income stream ◊ Ability to invest across government, corporate and hybrid securities ◊ Capacity react to macro conditions for capital preservation purposes

Notes:
1 Gross FUM as at 30 June 2019.
2 Commenced official quotation from 12 July 2018 following a restructure of the Australian Governance Masters Index Fund Limited.
3 Includes capital committed.

Glossary

Amortisation of acquired intangibles – includes amortisation of intangible assets arising from the acquisitions of Evans & Partners, Fort Street Advisers and amortisation of executive restraint covenants

EBITDA – is defined as earnings before interest, tax, depreciation and amortisation

EPS – is defined as earnings per share

FASEA – Financial Adviser Standards and Ethics Authority

FUA – funds under advice

FUM – funds under management

FSA – Fort Street Advisers

FSC – Fort Street Capital

IFA – Independent Financial Adviser

Implied gross yield – is defined as the franked dividend per share divided by a certain price per share

IPO – relates to the initial public offering of the Company on the Australian Securities Exchange on 14 May 2018

LFSP – Loan Funded Share Plan

NAV – net asset value

Net revenue – is defined as total revenue less the cost of goods sold incurred in the provision of such services

NTA – net tangible assets

PCP – prior comparable period

RE – Responsible Entity

SMSF – Self Managed Superannuation Fund

Underlying EBITDA – is defined as earnings before interest, tax, depreciation, amortisation and extraordinary items

Underlying EBITDA margin – is defined as underlying EBITDA divided by net revenue

Underlying NPATA – is defined as net profit after tax before amortisation of acquired intangibles and extraordinary items

Underlying NPATA margin – is defined as underlying NPATA divided by net revenue