

# Evans Dixon lodges prospectus for an IPO

26 March 2018

Evans Dixon Limited (**Evans Dixon** or the **Company**), a leading private wealth, funds management and capital markets advisory services firm, together with Evans Dixon SaleCo Limited, today lodged with the Australian Securities and Investments Commission (**ASIC**) a prospectus (**Prospectus**) for Evans Dixon's Initial Public Offering (**IPO**) and listing on the Australian Securities Exchange (**ASX**).

The offer detailed below will be made in the Prospectus which will be available at [www.evansdixon.com.au](http://www.evansdixon.com.au) and a hard copy will be available by contacting 1300 883 158. Investors should consider the Prospectus in deciding whether to acquire fully paid ordinary shares (**Shares**) in Evans Dixon. Anyone wishing to acquire shares in Evans Dixon will need to complete the application form that will be in or will accompany the Prospectus.

The offer, including a priority offer for clients, is for up to 62.9 million Shares at an offer price of \$2.50 per Share to raise gross proceeds of \$157.2 million with the ability to sell an additional 10.0 million Shares to raise an additional \$24.9 million.

Evans Dixon is an Australian owned financial services group. Operating through the Evans & Partners, Dixon Advisory and Walsh & Company brands, it provides a diverse range of financial services. In Wealth Advice it services over 8,800 clients, representing over \$18 billion in funds under advice. In Capital Markets it is an advisor to many leading Australian institutions through the provision of equity capital market and debt capital market services. In Funds Management, it manages over \$5 billion of assets across a diverse range of asset classes.

David Evans, Evans Dixon Executive Chair said, "Over the years, Evans Dixon has brought together the extensive and broad experience of industry leaders with the aim of partnering with our clients. A significant strength of the business is the quality of our team of over 600 people across offices in Sydney, Melbourne, Canberra, Brisbane and New York.

"Listing Evans Dixon on the ASX allows our clients to further partner with Evans Dixon by becoming shareholders and will also allow our wider employee base to partner with the firm by offering them access to equity. A listed public company structure gives us an opportunity to share our vision of creating the best wealth management firm in the country, providing excellent service for Australian institutions, Australian private investors and our international clients across Australian capital markets, global markets and across all asset classes.



“We believe this initial public offering will enhance our existing offering and enable us to position the Group to take advantage of strategic opportunities in a fast-changing financial services landscape for the benefit of clients, staff and the Company.

“We believe the opportunities before the Company are significant. Being a listed public company will help us take advantage of these opportunities with a view of further developing the services, products and advice our Company provides to our clients.

“Both Alan Dixon, the CEO of Evans Dixon, and I intend to retain all our respective shareholdings in the Company unless oversubscriptions are received under the offer and we do not intend to sell any further shares post the successful completion of the IPO for at least 4 years<sup>1</sup>” David Evans said.

Funds raised from the issue of new Shares will be applied to, among other things, the repayment of existing borrowings and provide additional capital to pursue growth opportunities and potential strategy transactions.

The Offer is comprised of:

- ◇ the Client Priority Offer, which is being made to existing clients of Evans Dixon nominated by the Company who have received or will receive an Evans Dixon Client Priority Offer invitation to apply for Shares;
- ◇ the Employee Offer, which is open to Eligible Employees of Evans Dixon; and
- ◇ the Chairman’s List Offer, which is open to selected investors in Australia who have received or will receive an invitation under the Chairman’s List Offer.

#### Board Appointments

We are pleased to be able to confirm that the new board of the Company will be:

- ◇ David Evans (Executive Chairman)
- ◇ Sally Herman (Independent Non-Executive Director)
- ◇ Josephine Linden (Independent Non-Executive Director)
- ◇ Alan Dixon (Managing Director and Chief Executive Officer)

No general public offer of Shares will be made under the Offer. The allocation of Shares between the Client Priority Offer, Employee Offer, and Chairman’s List Offer, will be solely determined by the Company.

#### Notes:

- 1 Subject to certain customary exceptions as set out in the Prospectus.



Key Offer statistics from the Prospectus	
Offer Price per Share	\$2.50 per Share
Total number of New Shares to be issued under the Offer	52.0 million
Total number of Committed Sale Shares to be sold under the Offer <sup>1</sup>	10.9 million
Total number of Oversubscription Sale Shares to be sold under the Offer <sup>2</sup>	10.0 million
Total number of Shares held by Existing Owners after Completion of the Offer <sup>3</sup>	141.2 -151.2 million
Total number of Shares on issue on Completion of the Offer <sup>4</sup>	214.1 million
Market capitalisation at the Offer Price <sup>5</sup>	\$535.2 million
Pro forma net cash	\$106.6 million
Enterprise value <sup>6</sup>	\$428.6 million
Pro forma forecast EBITDA FY18 <sup>7</sup>	\$42.6 million
Pro forma forecast EBITA FY18 <sup>7</sup>	\$36.8 million
Pro forma forecast NPATA FY18 <sup>7</sup>	\$27.2 million
Enterprise value to pro forma forecast FY18 EBITDA (times)	10.1x
Enterprise value to pro forma forecast FY18 EBITA (times)	11.6x
Offer Price to pro forma forecast FY18 NPATA per Share (times)	19.6x
Implied annual dividend yield at the Offer Price <sup>8</sup>	4.1%

Capitalised terms in the table above and these footnotes have the meaning given in the Prospectus.

Notes:

- 2 The Committed Sale Shares will be offered for sale by SaleCo. For further information, refer to Section 7.2.
- 3 The Company and SaleCo may, at their sole discretion, accept oversubscriptions for up to an additional 10.0 million Shares (Oversubscription Sale Shares). The Oversubscription Sale Shares (if any) will all be sourced from Existing Owners and will be offered for sale by SaleCo.
- 4 Excludes any new Shares to be issued under the Employee Offer or the Chairman's List Offer.
- 5 Includes 102.4 million Shares held by Existing Owners which will be subject to escrow arrangements for various periods as described in Section 7.7.
- 6 Calculated as the total number of Shares on issue following the Offer multiplied by the Offer Price. Shares may not trade at the Offer Price after listing.
- 7 Enterprise value calculated as the Market Capitalisation of the Company at the Offer Price minus pro forma net cash of \$106.6 million as at 31 December 2017. Refer to Section 4.5.1 for further detail.
- 8 The Forecast Financial Information is based on the assumptions and accounting policies set out in Section 4 and Appendix A and is subject to the Risk Factors set out in Section 5. There is no guarantee that the forecasts will be achieved. Certain financial information in this Prospectus is described as pro forma for the reasons set out in Section 4.2. Forecasts have been included in this Prospectus for the period ending 30 June 2018.
- 9 The implied dividend yield is calculated as the dividend per share assuming the target payout ratio of 80% of Evans Dixon's pro forma forecast NPATA for FY18 divided by the Offer Price. The Company intends to declare and pay a dividend in May 2018. Notwithstanding this, the payment of any dividends by the Company is at the complete discretion of the Directors and legal requirements. In determining whether to declare future dividends, the Directors will have regard to the Group's earnings, overall financial condition and future capital requirements. It is expected that all future dividends will be franked to the extent of available franking credits. No assurances can be given by any person, including the Board about payment of any dividend and the level of franking on any such dividend. For more information on the Company's dividend policy, see Section 4.10.

Important dates	
Prospectus Date	26 March 2018
Opening Date of the Offer	9 April 2018
Closing Date of the Offer	27 April 2018
Settlement and allotment and transfer of Shares (Completion of the Offer)	8 May 2018
Expected dispatch of holding statements	9 May 2018
Shares expected to begin trading on ASX (on a normal settlement basis)	14 May 2018

The above dates are indicative only and subject to change.

#### Media Enquiries

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#### Forward looking statements

This announcement contains forward-looking statements, which are statements that may be identified by words such as “may,” “forecast,” “expects,” “could,” “believes,” “estimates,” and other similar words. These statements are based on an assessment of present economic and operating conditions and on a number of assumptions regarding future events and actions that, as of the day of this announcement, are expected to take place. Such statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions, and other important factors, many of which are beyond the control of the company and its directors and management. The company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur.