

10 September 2018

EVANS DIXON

Evans Dixon expands corporate and institutional capabilities with the acquisition of Fort Street Advisers

Evans Dixon (ASX:ED1) today announced that it had completed the acquisition of Fort Street Advisers (Fort Street), which will be merged with the Evans Dixon Capital Markets business to create Evans Dixon Corporate & Institutional division.

Evans Dixon Corporate & Institutional will sit beside the Evans Dixon Wealth Advice and Funds Management businesses, enhancing diversification of earnings across the group. It will comprise three sub business units: Corporate Advisory, Markets, and Research. Evans Dixon Corporate & Institutional will provide a strong platform for long-term growth, with the addition a Fort Street team with nearly 25 years of experience providing corporate clients with the highest quality specialist advice across a broad range of investment banking services including expertise in mergers and acquisitions, divestments, equity, hybrid and debt raising, business strategy, restructuring and capital management and debt restructuring.

As part of the transaction, Evans Dixon will also acquire a further 25% economic interest in joint venture companies Fort Street Real Estate Capital Pty Limited (FSREC) and Fort Street Real Estate Services Pty Limited (FSRES) taking its interest up to 75%. FSREC currently manages 12 commercial properties across 4 closed ended real estate funds, with total assets under management of over \$730m as at 30 June 2018.

The transaction is underpinned by a compelling strategic rationale for both Evans Dixon and Fort Street, including:

- Establishment of corporate advisory and enhanced capital markets platform – opportunity to broaden the corporate advisory expertise of Fort Street and capital markets capabilities of Evans Dixon to create a leading Australian platform;
- Increased exposure to strong performing specialist real estate fund manager – additional 25% interest in active commercial real estate investment management platform, Fort Street Real Estate Capital presents significant growth potential from institutional specific mandates;
- Expanded industry and sector capabilities – 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 and offering to clients in key thematic areas where there is a strong firm-wide focus; and
- Cultural and ethical fit – Fort Street Advisers and Evans Dixon were founded and built on a cultural, ethical and professional platform of providing trusted advice in a client focused service model. Both businesses have been driven by expertise, commitment and reputations of the key personnel. There is strong alignment and familiarity between both businesses, including the management of a successful commercial real estate joint venture since 2013.



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Since its establishment in 2009, Fort Street has successfully executed more than 70 advisory mandates across a range of sectors. It is one of Australia's leading boutique corporate advisory firms, and is the trusted adviser to range of clients across mergers and acquisitions, equity capital markets and debt advisory.

Fort Street's leadership team of Richard Hunt, Ben Keeble, Steve Hawkins, Joel Denney and Ian Holmes will all play key roles in Evans Dixon Corporate & Institutional. Richard Hunt has become the Executive Chairman of Corporate & Institutional, with Corporate Advisory to be led by co-heads, Ben Keeble and Steve Hawkins. Alex Rock remains Head of Markets and Lorraine Robinson Head of Research. Paul Ryan has been appointed Managing Director, Private Capital to develop Evans Dixon's principal and seed investing activities.

The acquisition is expected to be accretive to Evans Dixon EPS on a pro forma full year basis excluding synergies.

Commenting on the transaction, Executive Chairman of Evans Dixon, David Evans said "there is an undeniable opportunity to benefit from the expertise of Fort Street and Evans Dixon to create a leading Australian corporate advisory and capital markets platform."

"Evans Dixon and Fort Street Advisers are highly complementary businesses. Each was founded and built on a cultural, ethical and professional platform of providing trusted advice in a highly client-centric service model. Each business has been driven by the expertise, commitment and the reputations of their key personnel."

"Between the firms, many of our key executives have worked together extensively. Indeed, Evans Dixon and Fort Street also know one another well, having worked closely together on various matters since 2013, including the successful Australian commercial property joint venture, the Fort Street Real Estate Capital Fund series, as well as other specific client mandates."

"We see clear sectoral and service expansion opportunities providing exciting career pathways for our existing staff as well as new top-class talent."

Terms of the acquisition

The consideration for Fort Street and a further 25% interest in FSREC and FSRES comprises 14.3 million fully paid ordinary shares in ED1 and a cash payment of \$23.4 million. This equates to a value of \$53.9 million based on the closing price of ED1 shares of \$2.13 on Australian Stock Exchange on 7 September 2018 (the last trading day prior to closing the transaction). Shares issued to the sellers will represent approximately 6.27% of the post-transaction issued capital of ED1.

Each of the principals of Fort Street have made a strong commitment to the future of Evans Dixon with 56.6% of the proceeds being in ED1 shares. Shares issued to the sellers may not be traded until 14 May 2022¹. The escrow deeds are on the same material terms as the escrow deeds executed by Evans Dixon employee shareholders in connection with its recent listing on the Australian Stock Exchange.

All the principals of Fort Street have entered into non-competition restraints consistent with a transaction of this nature.

The sellers have granted representations and warranties and indemnities consistent with market practice for a transaction of this nature. There are no third-party consents required for the transaction.

Legal advisors on the deal are: OB Law, Minter Ellison, Allens and Ashurst.

1. Except to fund payments for breach of warranty and other obligations owed to ED1 under the share purchase agreements.



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About Evans Dixon Limited

Evans Dixon is an Australian Securities Exchange listed financial services group. Operating through the Evans Dixon, 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 Capital Markets 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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