30 April 2019

Media Release

Ebos Group

The Shareholders Association (NZSA) has slammed the Ebos board and managers as "slow learners" following the company's announcement this morning that it is doing a $150m placement to institutions.

Outgoing NZSA chairman John Hawkins said that "the issue which was discounted 8% below the market price was a free gift to a few privileged larger organisations at the expense of many smaller investors who would have their holdings diluted as a result". Hawkins said the main reason given for the issue (to pay down debt) was not urgent as Ebos had a sound balance sheet and strong cash flow. "They could have done an accelerated rights issue to achieve the same outcome which would have treated every investor fairly, but they have deliberately chosen not to," he said. "Adding insult to injury, Ebos has paid to have the issue fully underwritten which is a further impost on the majority of shareholders who cannot participate."

Ebos has been a very strong performer and is highly regarded, but Hawkins said "this action shows it has little concern for retail investors who have helped the company to grow. This is 19th century governance in the 21st century. Ebos should hang their head in shame. Equally importantly, unfair actions like this do nothing to encourage more people to invest in the share market" he said.

Ends

The Team at NZSA