

ASX AND MEDIA RELEASE

Thursday, 18 February 2021

SEQUOIA FINANCIAL GROUP ANNOUNCES 1H21 RESULTS

1H21 Highlights

- Consolidated Revenue rose by 28% to \$52.4m
- Revenue growth in the core business units of Wealth and Equity markets was more than 40% with softer performances in our Professional Services and Direct Investment business units growth rates
- Operating Profit (EBITDA) rose by 176% to \$4m
- NPAT increased to \$1.7M (up 548% from 1H20)
- Operating Cash Flow (excluding client funds) improved 142% to \$3.4m
- Number of advisers operating under a Sequoia owned AFSL grew by 33% to 405
- Morrison Securities monthly contract note turnover increased by 300%
- Morrison funds on chess sponsored holdings increased from below \$0.4 billion to \$2.9 billion in the last 12 months
- Morrison revenue doubled to \$11.1m
- InterPrac Financial Planning saw a revenue increase of 39% to \$20.6m
- Sequoia Wealth Management saw revenue increase of 231% to \$4.1m
- Cash at Bank (excluding client funds) remained steady at \$13m

Overview

Sequoia Financial Group Limited (ASX: **SEQ**) (**Sequoia** or the **Company**) is pleased to release its results for the half year ending 31 December 2020 (**1H21**). Throughout 1H21 we have continued strong growth in our key business units, resulting in very strong financial results in our Wealth and Equity Markets arms despite what has been a very challenging operating environment.

This announcement was approved by the Board of Directors.

For further information please contact:

Garry Crole, Managing Director +61 411 600 550 garrycrole@sequoia.com.au
Rebecca Weir, Company Secretary rebecca.weir@boardroomlimited.com.au

ABOUT SEQUOIA FINANCIAL GROUP LIMITED

Sequoia Financial Group (ASX: SEQ) is an integrated financial services company providing products and services to self-directed investors, AFSL holders and 3rd party professional firms. Its' businesses include: InterPrac Financial Planning, Morrison Securities, Sequoia Direct, Finance News Network, Bourse Data, SMSF Engine, Libertas, Sequoia Specialist Investments, Sequoia Superannuation and Sequoia Wealth Management

It provides:

- Investment and superannuation products
- Wealth management and advisory services
- Corporate advisory and capital markets expertise
- Retail, wholesale and institutional trading platforms
- Market data and financial news services

Sequoia operates various AFS Licenses and Its subsidiary Morrison Securities Pty Ltd

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During 1H21, the Group recorded adviser growth of 33% over 1H20 through acquisition and organic growth. It also acquired more scale in business units that are sub-scale direct-to-consumer advice business assisting retiring advisers and through the acquisition of the Panther Corp document business completed on 1 February 2021.

The Board have approved an Interim Dividend of 0.4 cents per share payable in March 2021. The Group maintains a conservative stance for the FY21 dividend payout ratio of 30% of NPAT, with an intent to increase this steadily in coming years.

Outlook

Our longer-term objectives are as follows:

- Lead the market in the provision of services to advisers, accountants and licensees
- Achieve in excess of \$110 million revenue and \$7m of operating profit for FY 21
- Increase group revenue towards \$400M by year ending 30 June 2025
- Build the operating profit return on group revenue towards 8% by year ending 30 June 2025
- Increase the number of advisers we act as the licensee to, from just >400 at present to 1,000 by 30 June 2025

We thank our shareholders for their ongoing support and look forward to continuing to deliver strong results for all our stakeholders for FY21.

Further Information: Readers are referred to in the Company's Interim Report (**Appendix 4D**) and Investor Presentation for additional information regarding the Group's performance.

Investor Teleconference

Investors and shareholders are invited to participate in a conference call briefing on Sequoia's 1H21 results, hosted by Sequoia's Managing Director, Garry Crole today, **Thursday, 18 February 2021 at 12.00 pm (AEDT)**.

Please use the following link to register for the conference call:

<https://register.gotowebinar.com/register/1151380402168852238>

-ENDS -

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