

ASX AND MEDIA RELEASE

Wednesday, 23 November 2022

CEO PRESENTATION AT 2022 ANNUAL GENERAL MEETING

Sequoia Financial Group Ltd (ASX: **SEQ**) attaches a copy of the CEO's presentation for today's Annual General Meeting.

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This announcement was authorised for release by the Board of Directors.

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ABOUT SEQUOIA FINANCIAL GROUP LTD

ASX-listed Sequoia Financial Group Ltd (ASX: SEQ) is an integrated financial services company providing products and services to self-directed retail and wholesale clients and those of third-party professional service firms.

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 is an ASX Market Participant.



2022 Annual General Meeting

Garry Crole Managing Director and CEO

John Larsen Chairman

23 November 2022



Disclaimer

General Advice

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- should be read in conjunction with SEQ's annual reports and market releases on ASX
- includes forward-looking statements about SEQ and the environment in which it operates, which are subject to significant uncertainties and contingencies, many of which are outside the control of SEQ – as such undue reliance should not be placed on any forward-looking statements as actual results or performance may differ materially from these statements
- includes statements relating to past performance, which should not be regarded as a reliable guide to future performance
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Managing Director & CEO's Update

CEO Update

1. **FY22 Group and Division Financials**
2. **YTD 2023 Update**
3. **Group Strategy**
4. **Questions**

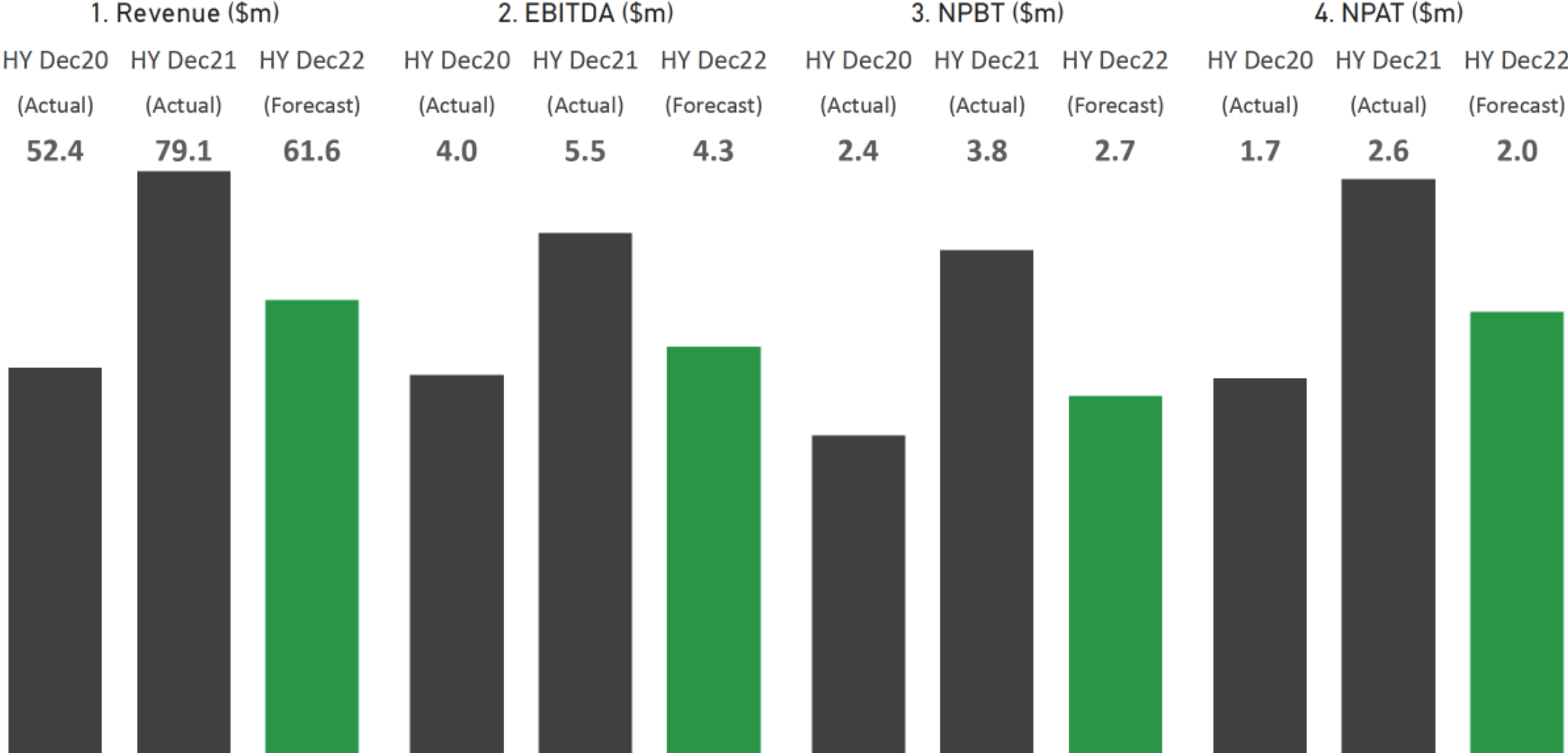


FY22 Financial Performance

1. Revenue	2. EBITDA (Operating Profit)	3. NPAT	4. NPATA *
\$147.3m	\$12.4m	\$5.7m	\$7.1m
↑ from FY21 26.5%	↑ from FY21 7.3%	↑ from FY21 3.0%	↑ from FY21 6.0%
5. Cash balance	6. Operating net cash flow pre tax (exclude client moneys)	7. Diluted earnings per share	8. Full Year dividend per share
\$14.9m	\$14.7m	4.23cents	1.40cents
↑ from FY21 8.8%	↑ from FY21 36.2%	↑ from FY21 1.0%	↑ from FY21 40.0%

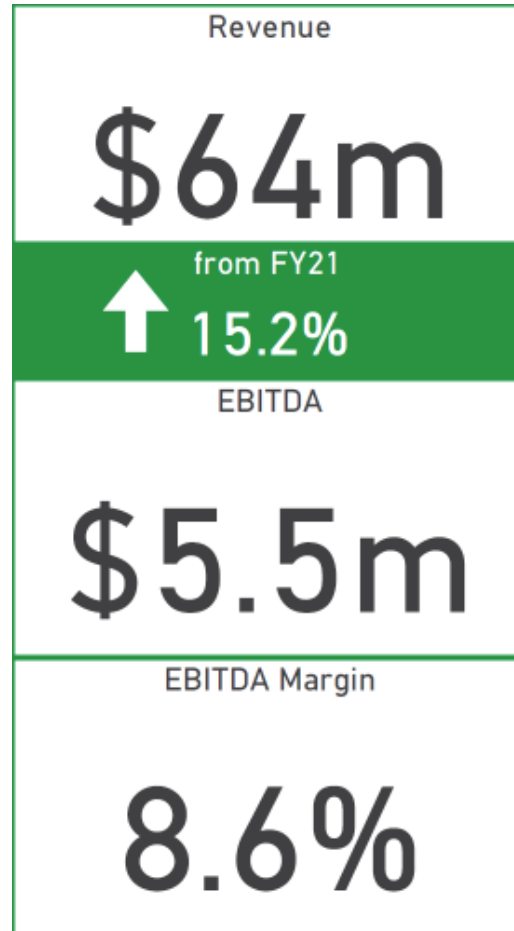
* NPATA is calculated by adding back amortisation (net of tax) to NPAT

Consolidated Outlook



Licensees Services Division

Financial performance



Divisional performance

FY 2023 revenue forecast is expected to grow 5% year on year, over FY22

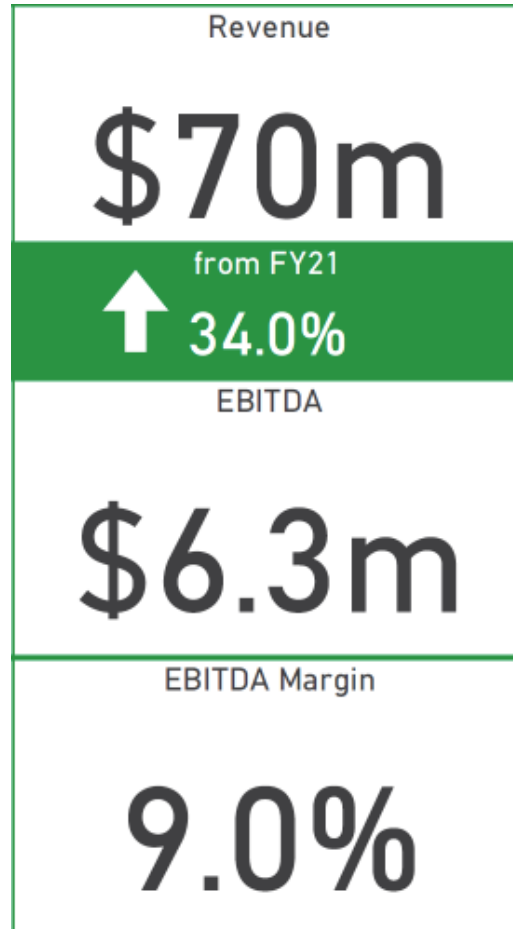
FY 2023 has seen an increase in retiring advisers practices providing opportunity for our salaried planning business to acquire further client books.

FY 2023 focus is to increase the number of equity brokers in our Melbourne and Sydney offices from 25 to 40 through recruitment

FY 2023 will see a reporting of an abnormal item in the accounts relating to remediation from 2019 that we are seeking recovery from our insurer

Equity Market Division

Financial performance



Divisional performance

Morrison business continues to win market share of ASX trading volumes with monthly contract note volumes up 30% year on year as we have attracted new wholesale and third party AFSL holders

Morrison has fully expensed investment we made to support the proposed ASX blockchain due to ASX cancelling the new platform whilst also expanding service offerings of the clearing business

Sequoia Specialist Investment new structured products revenue down in FY23 at our election due to our concerns in the volatility of equity markets and interest rate uncertainty

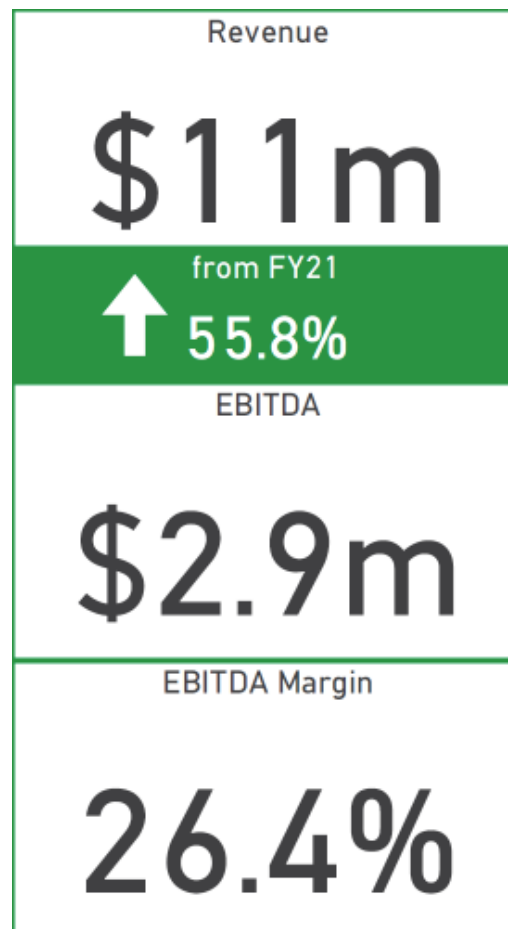
Morrison business expanding services in international equities offering in the second half of FY23 and closer aligning with investment platform market

Professional Services Division

Financial performance

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Divisional performance

Achieved significant growth of 32% in the number of individual accounting firms or financial planners that used one of our Professional Services in FY22 and this trend has continued in FY23

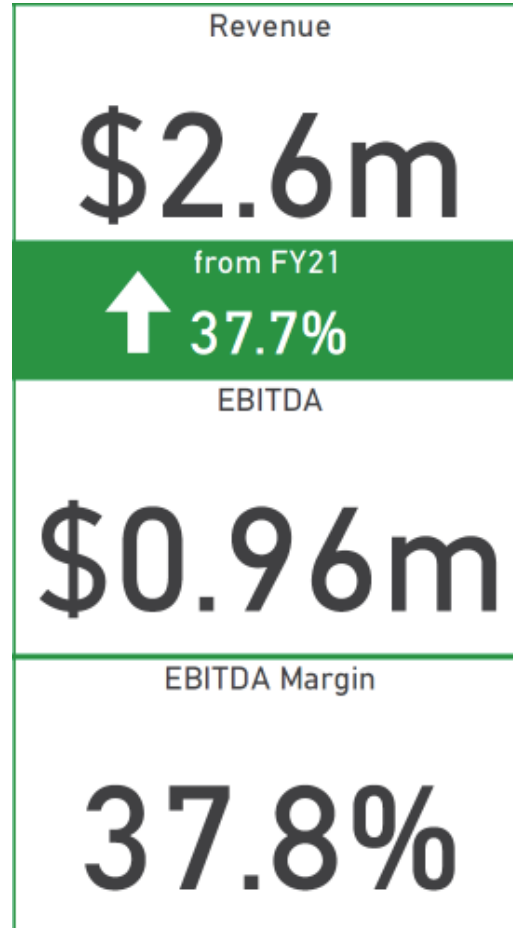
Captured multiple revenue streams after employing specialist sales staff and further investing in technology in FY22

High revenue growth of 55% achieved in FY22 and forecasting more than 10% growth in FY23

Margin expansion the nature of this business as a SAAS type model allows for long term margins of 25-30% once scale is enabled

Direct Investment Division

Financial performance



Divisional performance

Increased the scale of the media distribution, research and adviser technology platforms to enable premium adviser and investor content

Investment in the back end of FY22 and early FY 2023 has improved the offering to the market we serve. Intention is to use the Informed Investor platform as the core direct to market channel

General Advice capability has been enhanced by the employment of specialist investment managers who will assist in the provision of lower cost to consumer model portfolios and robo-solutions for the market place so more Australians an access advice

YTD 2023 Update

1. Abnormal expenses in the current period has impacted first half 2023 results

a) Client remediation payments from a 2019 remediation matter against an adviser terminated in 2019 has recently settled for amount of approximately \$2.5M in our Licensee Services division, the group has commenced an action to seek recovery from the insurer but has conservatively determined to fully expense the matter in current period

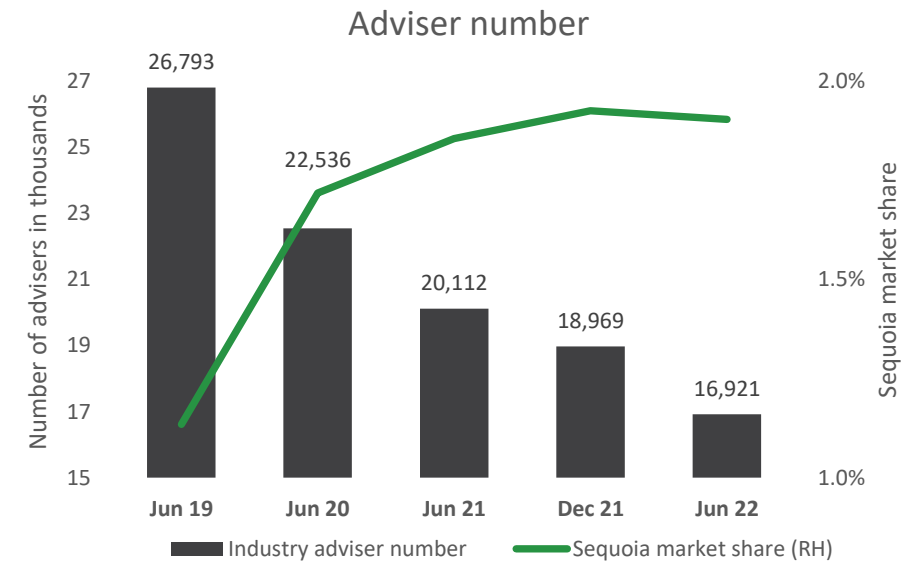
b) The decision to reduce new structured product offers in the period May 2022 to September 2022 at our discretion will see a reduction in revenue for that business in the first half

The total of these abnormal items is about \$3m. Despite these abnormal items the company expects EBITDA to be in the range of \$4m to \$5m in the first half year

2. Other Matters

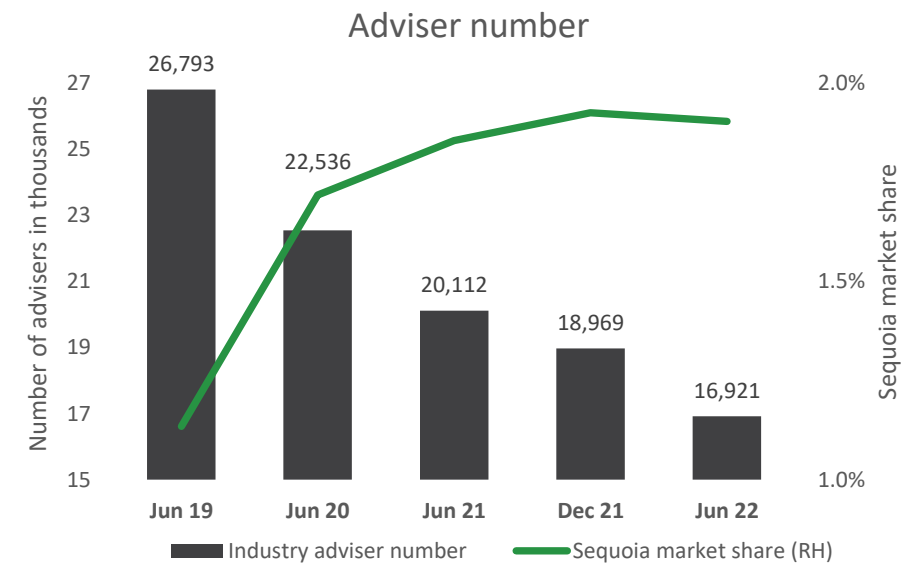
a) The company was approved for a \$15m loan facility with ANZ on very positive terms, which we will draw down on for acquisitions only.

b) Sequoia Insurance Brokers business has out-performed expected margins on last years acquisition of the TAG Insurance Brokers portfolio



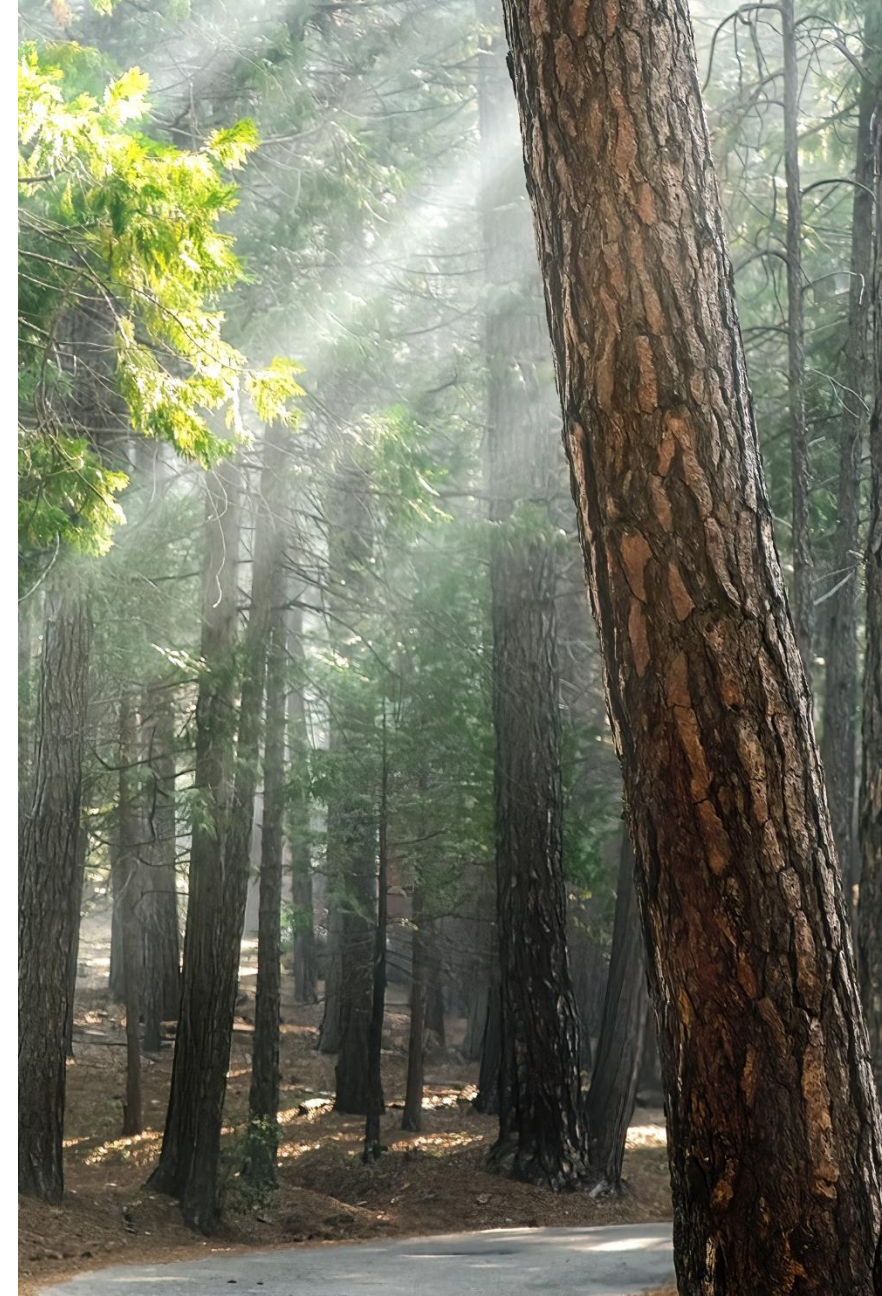
YTD 2023 Update (cont.)

- The Licensees Services business continues to win market share despite the number of industry advisers falling further since June 30 to 15,000
- Professional Services business has continued to gain market share following investment in enhanced technology over the last 18 months delivering EBITDA margin expansion for the business
- Sequoia Family Office experiencing growth in revenue opportunity off a low base in FY22
- Morrison business continues to increase market share with 65 AFSL holders now using the service up from 26 at the commencement of FY22
- Morrison monthly market turnover has increased to a rolling average of in excess of \$2 billion per month and 50,000 contract notes per month
- The acquisition intention in the short to medium term is to acquire bolt on business in Professional Services where margins are in excess of 25% and in Licensee Services where we can gain a scale benefit and increase the numbers of advisers we provide a licensee service



Group Strategy is to provide services to a market that primarily consists of

- Approximately **15,000 financial advisers** under approximately **2,000 AFS licensees** across Australia and **20,000 accounting practices** across Australia
- Australians have approximately \$14 trillion of private wealth, with \$6.6 trillion of this wealth invested in a “managed investment” of some kind which in many cases relies on an intermediary for selection
- Fund managers, listed companies, sophisticated investors seeking access to impartial adviser distribution and media to reach this market place



What are the services:

Licensees Services

Provision of an AFSL on a fee for services share of income.
General insurance Broking Services (Sequoia Insurance Brokers)
In house advice practice (Interprac Securities)
Provision of back office compliance support to 3rd party AFSL holders (new)

Professional Services

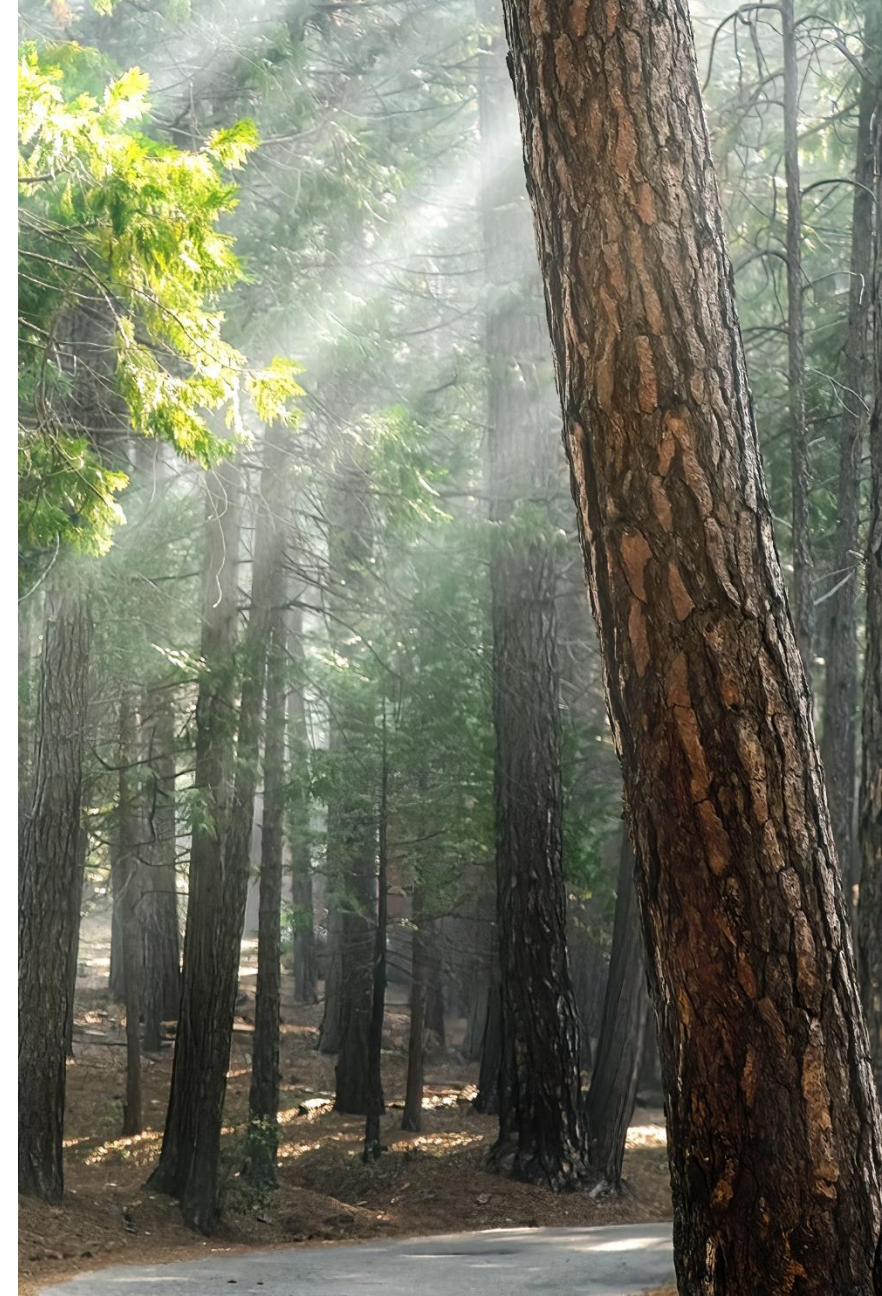
Delivery of legal document establishments
(Constitute, Panthercorp ,NTAA corporate)
Provision of administration services for SMSF (SMSF Engine , Sequoia Super)
Legal Services to SMSF Trustees

Equity markets

Clearing and Execution Services (Morrison)
Specialist Investments (Sequoia Specialist Investments)

Direct Investment

General Advice AFSL (Sequoia Asset Management)
Media (FNN , Share Café)
Research (Corporate Connect , Yield Report , Informed Investor)





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