



FY23 Financial Results

Garry Crole

CEO and Managing Director

31 August 2023



Disclaimer

This presentation is for general information purposes only and may contain non-GAAP financial measures. Therefore, it should be read in conjunction with the Full Year Annual Report for the year ended 30 June 2023 and the Appendix 4E lodged with the Australian Securities Exchange by Sequoia Financial Group Limited (ASX:SEQ) on 31 August 2023. The information is provided in summary form only and does not purport to be complete or comprehensive. This presentation does not provide recommendations or opinions in relation to specific investments or securities.

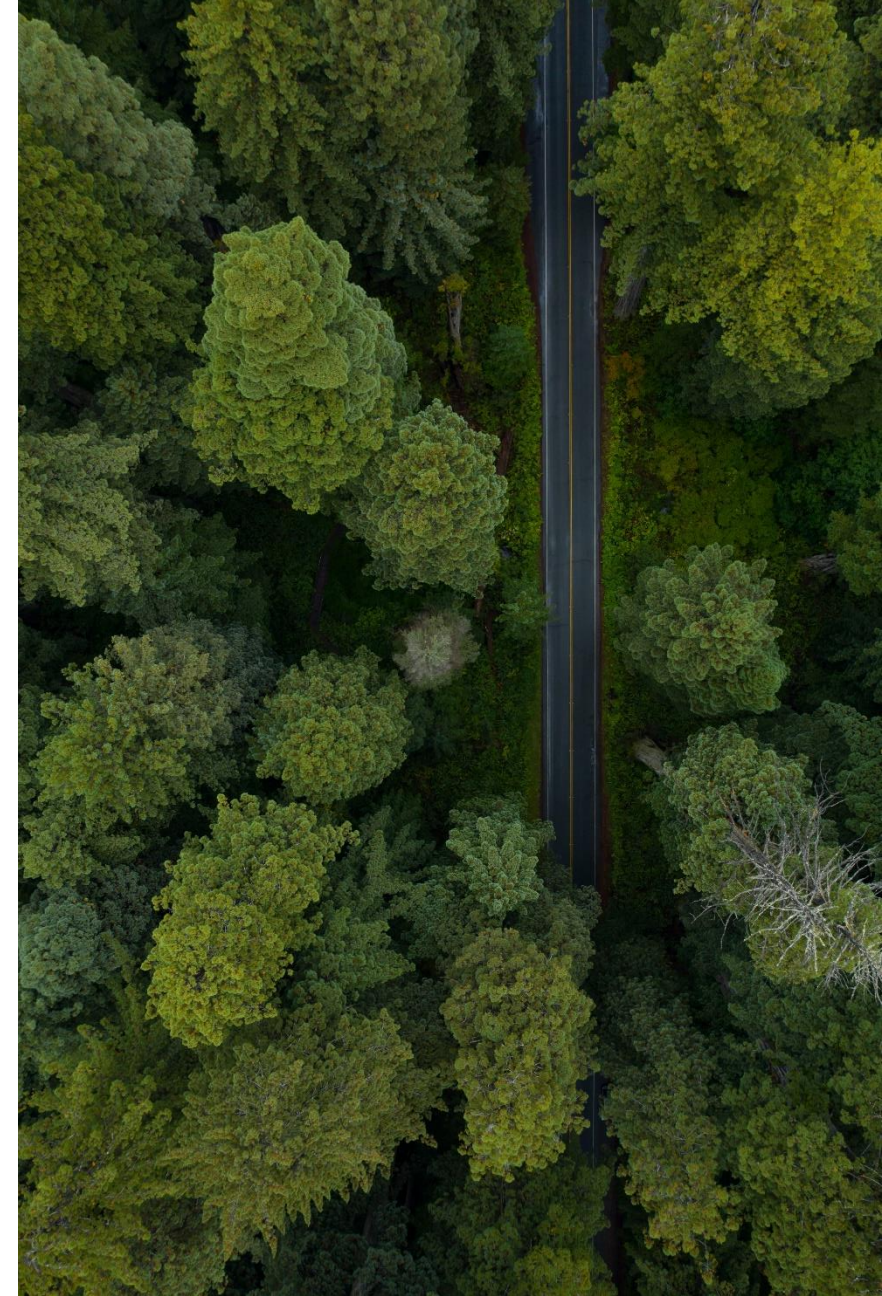
Good faith and reasonable care were undertaken in preparing this presentation. Neither SEQ nor any other person makes any representation or warranty, express or implied, as to the accuracy, reliability, reasonableness or completeness of the contents of this presentation (including any projections, forecasts, estimates, prospects and returns), and any omissions from this presentation. To the extent permitted by law, SEQ and its respective officers, employees and advisers disclaim and exclude all liability for any loss or damage (whether or not foreseeable) suffered or incurred by any person acting on any information (including any projections, forecasts, estimates, prospects and returns) provided in, or omitted from, this presentation or any other written or oral information provided by or on behalf of SEQ.

It is not intended that this presentation be relied upon and the information in this presentation does not take into account your financial objectives, situations or needs. Investors should consult with their own legal, tax, business and/or financial advisers in connection with any investment decision.

All numbers are as at 30 June 2023 and are in Australian dollars unless otherwise stated. Financial data may be subject to rounding.

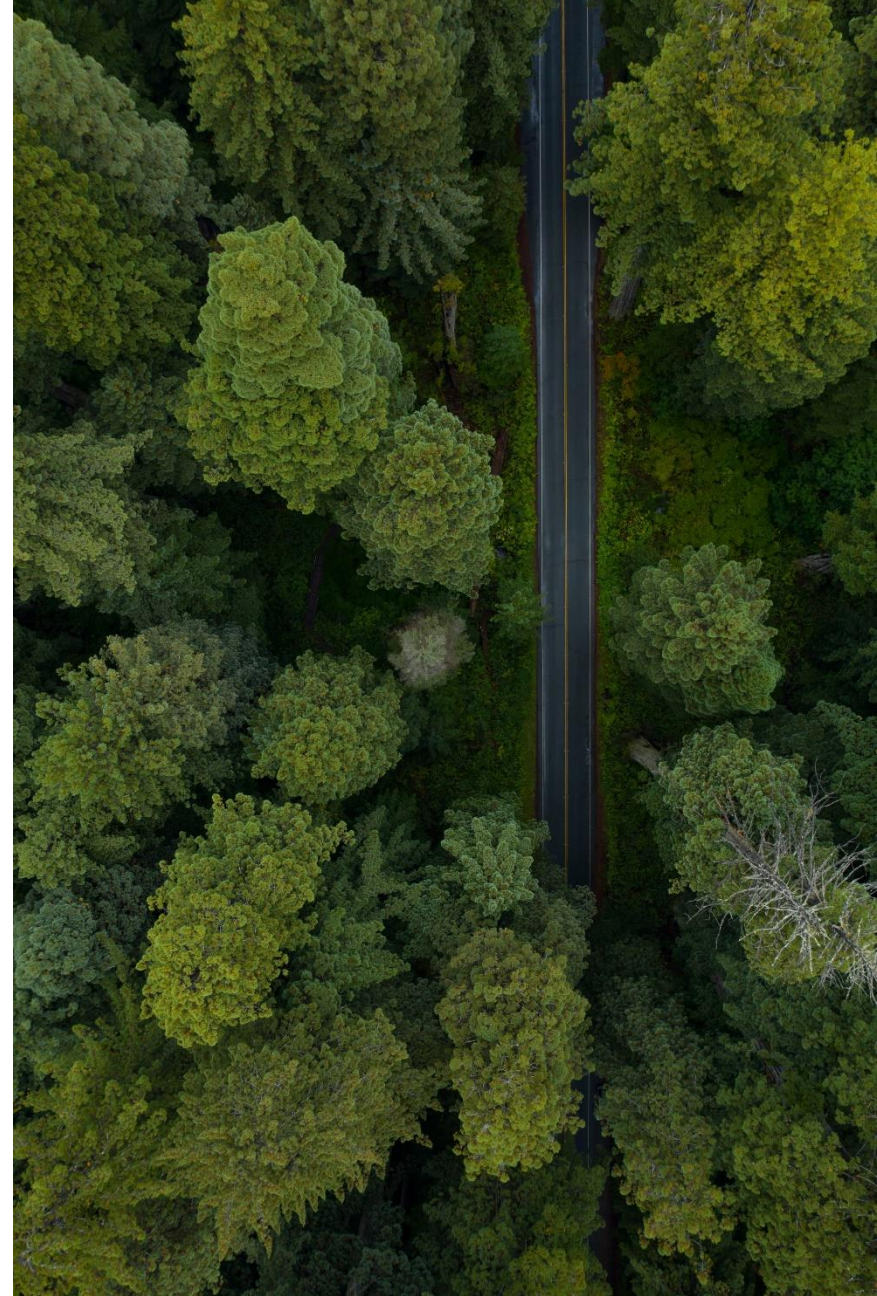
FY23 Financial Highlights

- Revenue \$131.5m; Operating Profit \$5.5m
- Results impacted by weaker equity market conditions and non-recurring expenses
- Transformational asset sale provides funding for future growth (completed 80% of Morrison divestment for \$40.5m today)
- No final dividend but the directors intend to announce a special dividend of 4.0 cents per share in September 2023 for completion of the Morrison transaction
- Cash at bank on 31 August 2023 is approx \$40m



FY23 Business Highlights

- Market share gains for Licensees Services with 5% growth in advisor network despite a reduction in total industry adviser numbers
- Acquisitions completed on value accretive terms: Euree AM and Castle Corporate & Castle Group
- Strong Q4 FY23 for Equity Markets division confirms a turnaround and provides momentum into FY24
- Enhanced leadership team with new COO, Head of Legal and Risk and Senior Compliance Manager all starting H1 FY24



Group Financial Snapshot

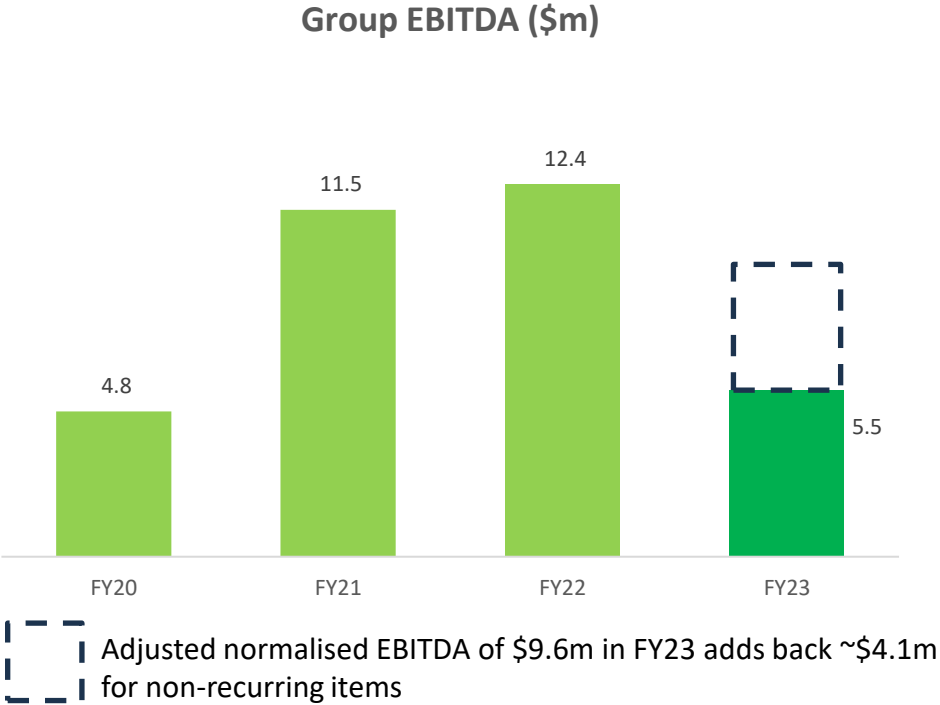
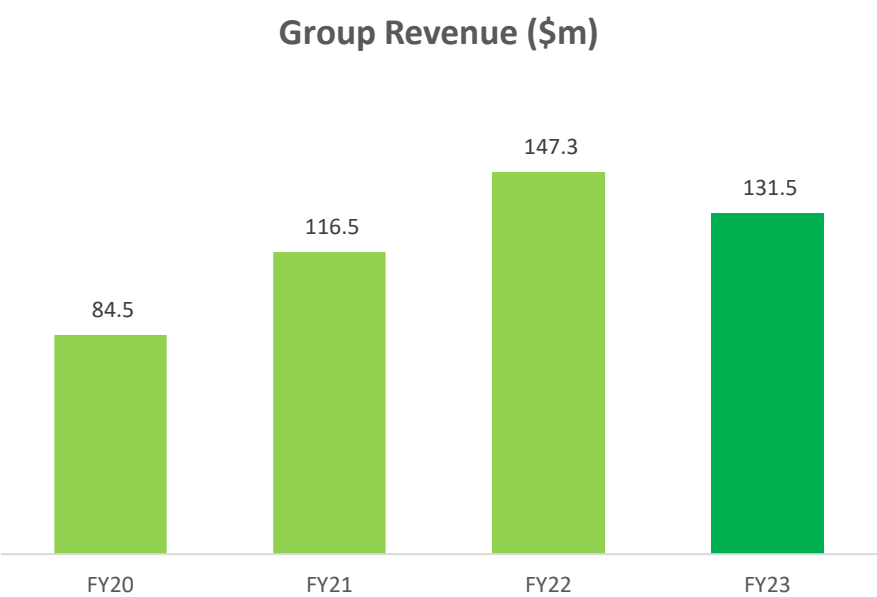
\$ millions	FY23	FY22	Change %
Revenue	\$131.5	\$147.3	(10.7)%
Cost of Sales	\$99.3	\$110.8	(10.4)%
Gross Profit	\$32.3	\$36.5	(11.5)%
GP %	24.5%	24.8%	(0.3)%
Opex	\$26.8	\$24.1	11.2%
Opex Margin	20.4%	16.4%	4.0%
Operating profit or EBITDA	\$5.5	\$12.4	(55.6)%
EBITDA Margin	4.2%	8.4%	(4.2)%

Comments

- Adjusted normalised EBITDA add back approximately \$4.1m for non-recurring items in FY23.
- FY24 expect revenue to exceed FY22 as the business returns to growth.

Note: All figures in the table are for continued, discontinued and held for sale businesses

Scalable financial model impacted by 2023 challenges



Note: Adjusted normalised EBITDA of \$9.6m in FY23 adds back ~\$4.1m for non-recurring items

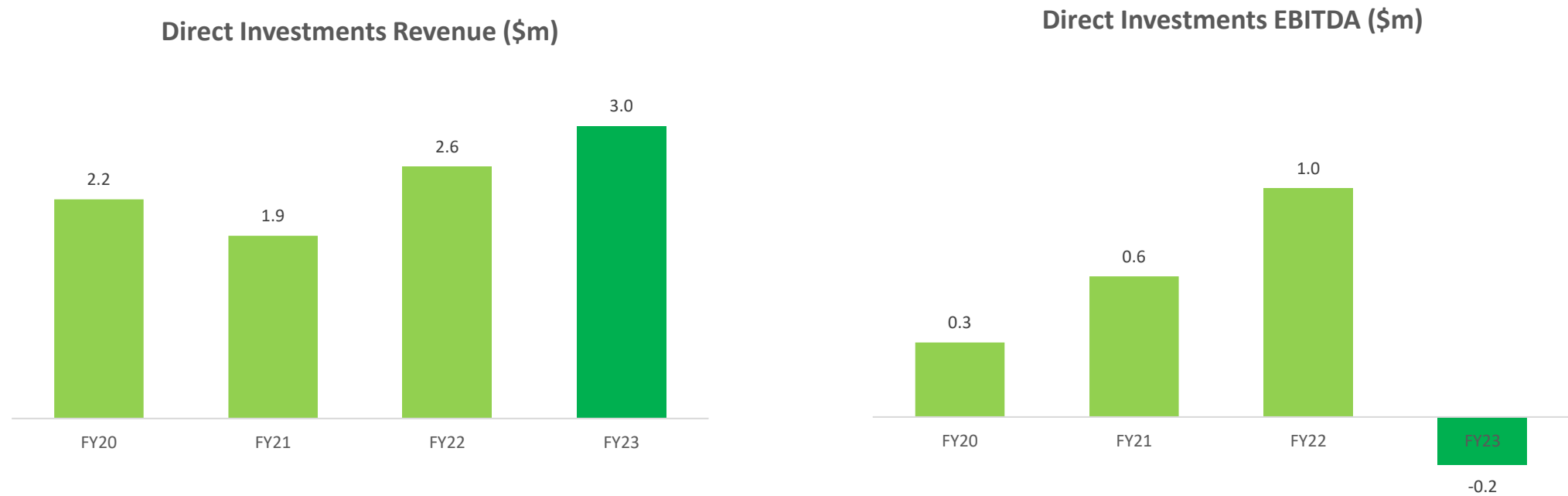
Sum of parts snapshot

Segment	FY23 Revenue (\$m)	Revenue growth	Gross Margin	FTE	Management Enterprise Valuation *	Target Returns
Direct Investments	\$3.0	16%	76%	10.2	\$5m	15%
Equity Markets	\$41.7	(40%)	19%	20.8	\$15m**	15%
Professional Services	\$8.5	9%	78%	35.4	\$25m	15%
Licensee Services	\$77.9	23%	20%	37.7	\$40m	15%
Head Office	\$0.4	-	-	6.9	Cash and investments such as Morrison and Euree >\$40m	Cash Rate until investment deployment

* Internal management valuation

** This is an internal management valuation for Sequoia Specialist Investment only

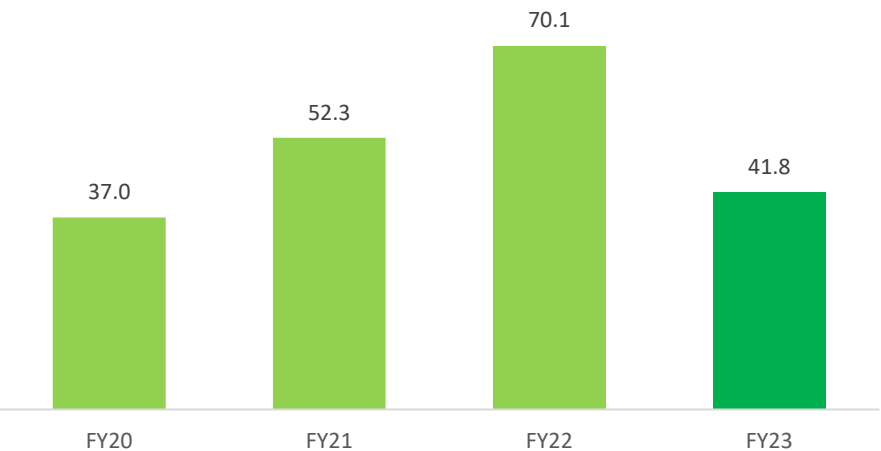
Direct Investments restructured to deliver growth in FY24



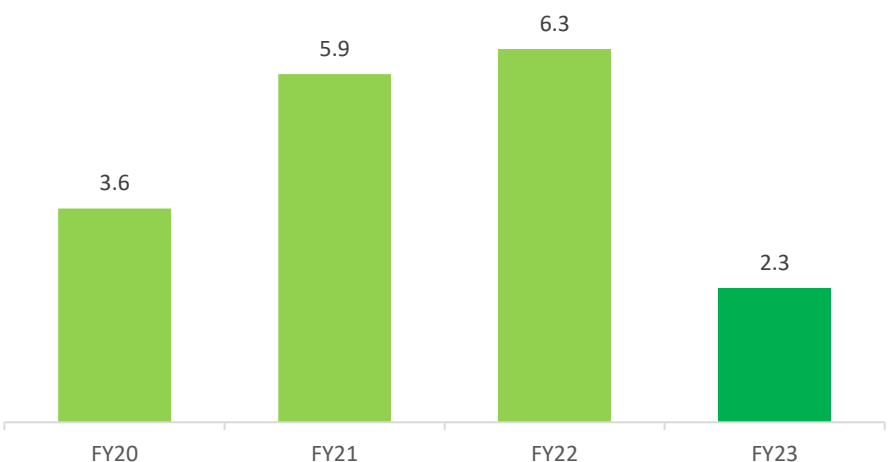
Customers: Wholesale sophisticated investors (high net worth consumer) and listed corporates
Services: General advice (Sequoia Asset management) | Research (Corporate Connect) | Media (Share café/ FNN/ Informed Investor)
Growth opportunity: Following a disappointing FY23 the division has been restructured to capture service efficiencies and new customers. Remove \$600k of employment costs FY24 , stretch target to achieve 15% return on management valuation by 2024 .

Equity Markets impacted by weaker trading conditions

Equity Markets Revenue (\$m)



Equity Markets EBITDA (\$m)



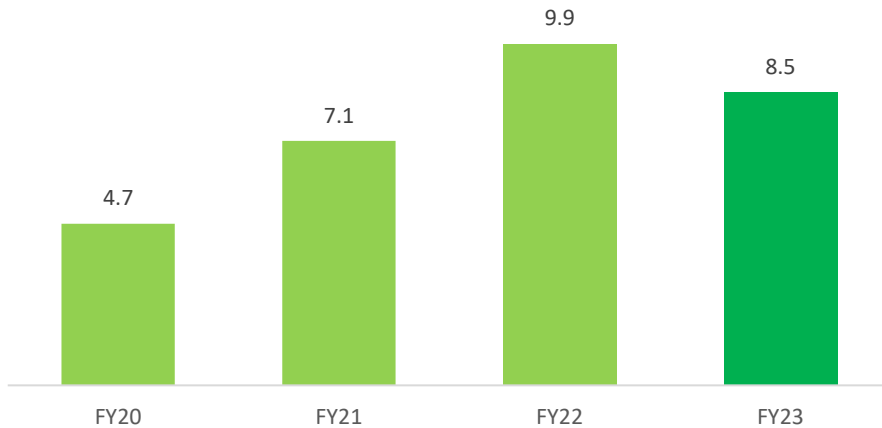
Customers: Retail and wholesale investors of advisers , AFSL holders.

Services: ASX clearing services (Morrison) | Sequoia Specialist Investment (SSI)

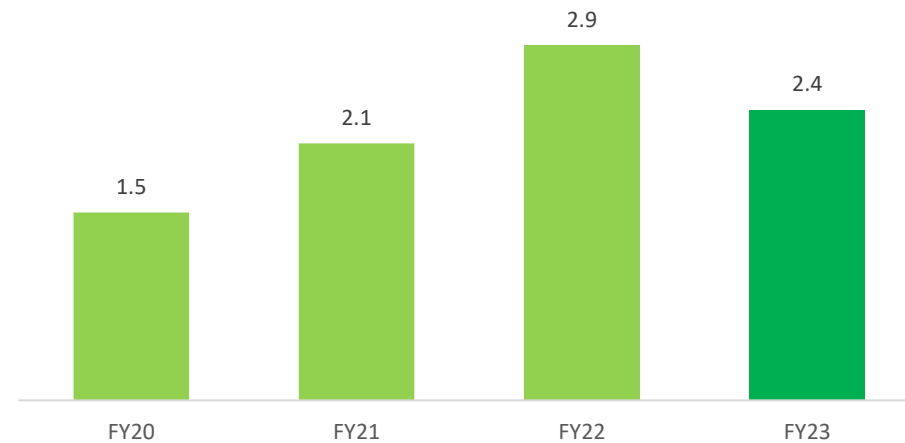
Growth opportunity: Increase and expand partnerships with Retail Super Funds | Enhanced alignment with global investment managers and partner platform providers

Professional Services grows in tough market

Professional Services Revenue (\$m)



Professional Services EBITDA (\$m)

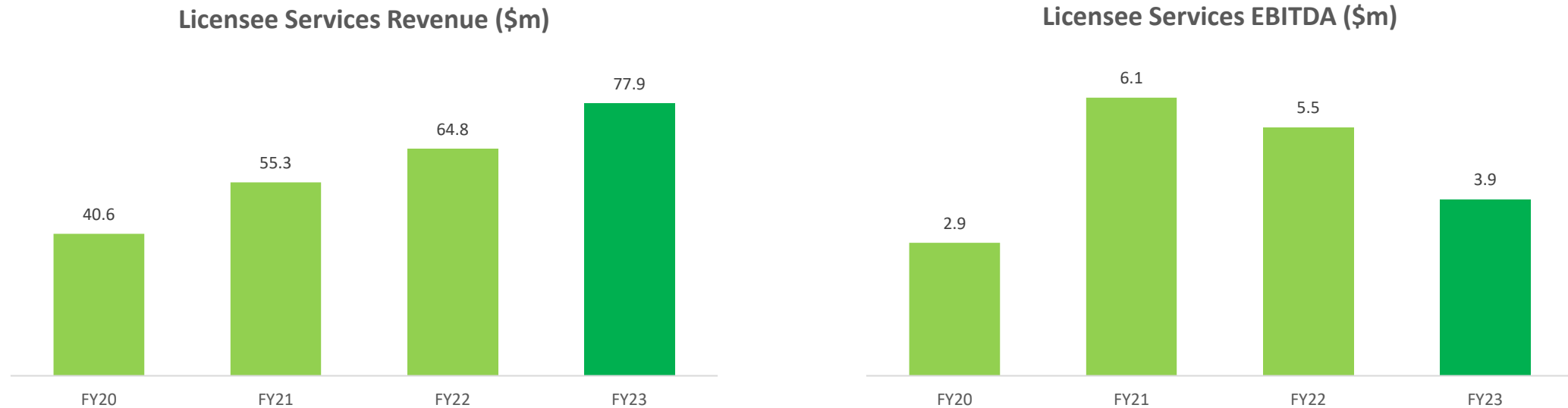


Customers: Public practicing Accountancy firms , legal firms , financial planners and tax agents

Services: Legal Documents | SMSF administration

Growth opportunity: Product expansion through development and acquisition , revenue fell because of a change of reporting of ASIC fees and stamp duty of \$2.1m, normalised revenue increased by 9%

Licensees Services gaining market share

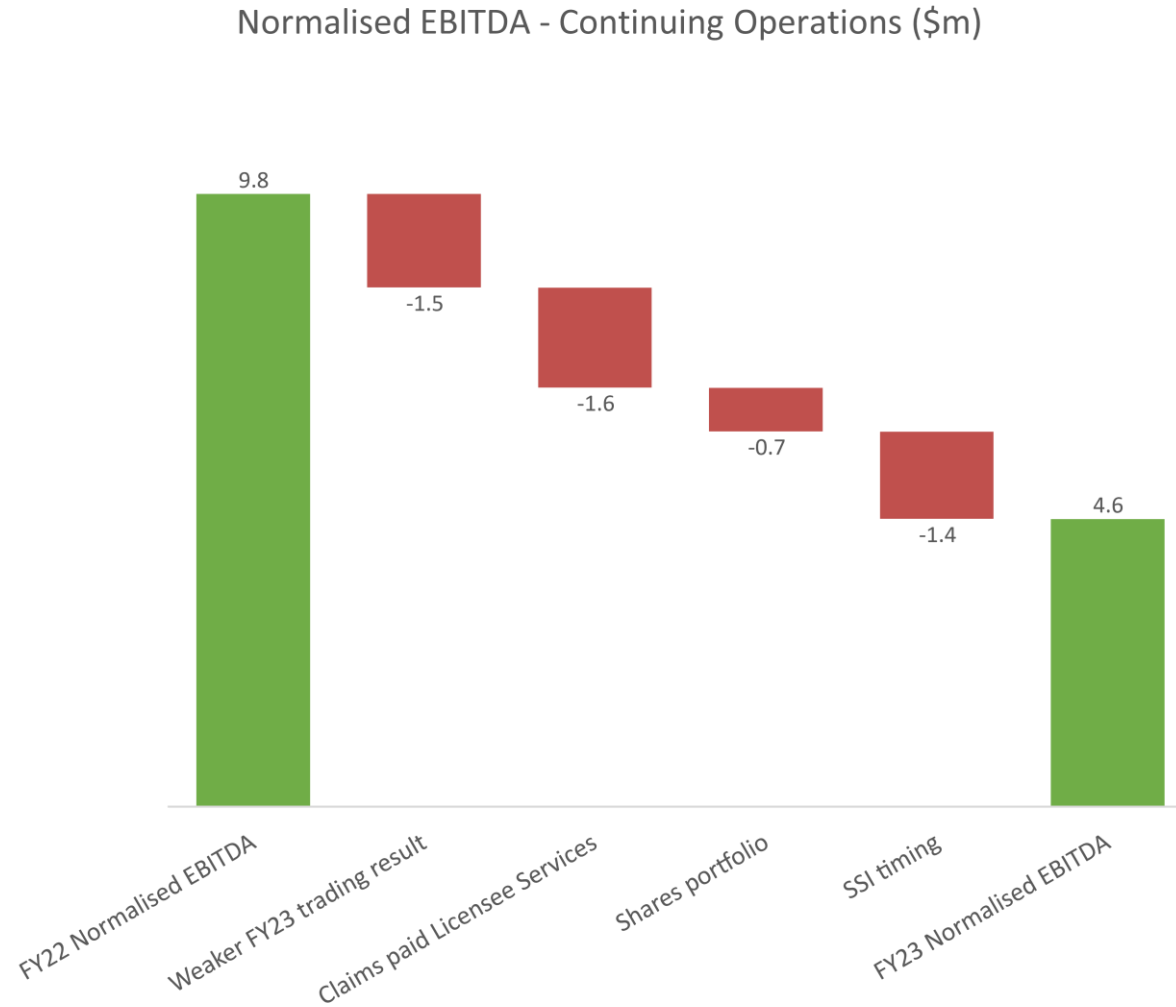


Customers: Licensees and Authorized representatives

Services: AFSL of InterPrac / SWM | InterPrac Securities | Family Office | Corporate Finance | General Insurance Broking

Growth opportunities: Buy Licensing support business | Acquiring additional practice for Interprac business | Customer book acquisitions
| [Integration of Bendigo Insurance broking business with Sequoia Insurance Brokers]

Adjusted normalised EBITDA (after non-recurring items)



Sequoia is a profitable, growing and well capitalised financial services business seeking to generate >15% ROME* p.a. across each of our 4 key divisions

Sequoia's broad customer base includes financial planners, stockbrokers, wholesale and sophisticated investors, retail funds, accountants and tax agents.

*ROME – stands for Return on Management Equity a non- GAAP measure based on internal management valuation of its assets.

Outlook

In FY24 Sequoia anticipates a return to **earnings growth for all business divisions**. It is seeking to deliver **>15% ROME*** by division.

Notably, recent trading, including **Q4 FY23 provides confidence** that the Equity Markets division has **returned to growth** following a difficult H1 FY23.

Management is also confident about **completing further earnings accretive acquisitions** during FY24, with a focus on general insurance broking, financial planner customer books, SMSF administration roll ups to augment organic growth across Sequoia.

Divestment of Morrison Securities provides the Company with **ample capital to fund acquisitions**.

Shareholder returns through buybacks, dividends and capital returns **will continue to be a focus**.

Longer term, management are targeting **\$300m revenue with 8% EBITDA margin**.

*ROME – stands for Return on Management Equity a non- GAAP measure based on internal management valuation of its assets.

Track record of generating returns for investors

Growth FY20 – FY23

+189%

Share Price

+217%

Market Cap

+56%

Revenue

+100%

EBITDA (FY23 normalised)



CONTACTS

Garry Crole | Managing Director and CEO
garrycrole@sequoia.com.au

Web: www.sequoia.com.au

Phone: +61 (0)3 8548 3333
