



2022 Half Year Results Presentation

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17 February 2022

Disclaimer

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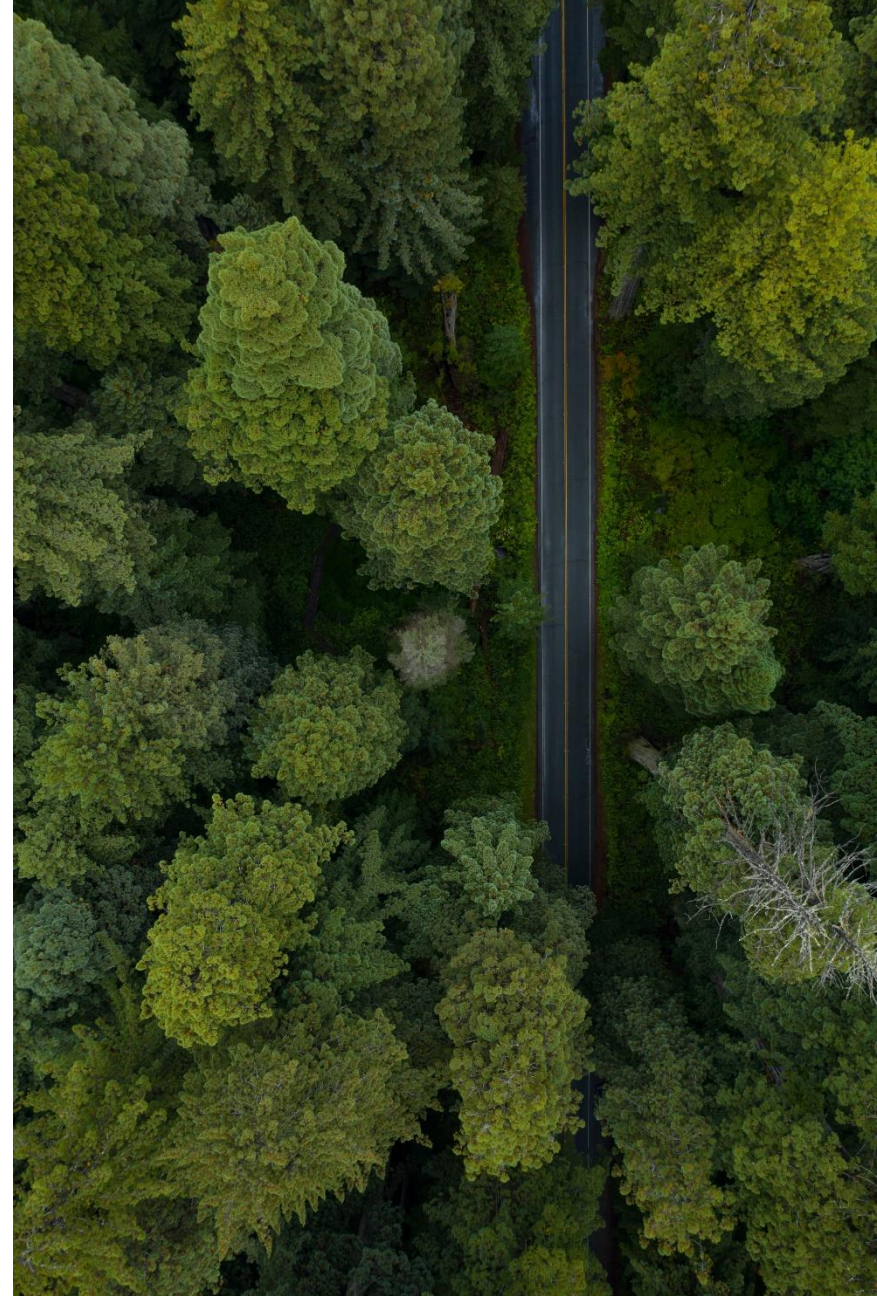
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All numbers are as at 31 December 2021 in Australian Dollars (A\$) unless otherwise stated. Financial data may be subject to rounding.

Agenda

1. 1H22 Financial highlights
2. 1H22 Divisional Breakdown
3. The Sequoia Opportunity
4. Questions



1H22 Financial Highlights

1. Revenue	2. EBITDA (Operating Profit)	3. EBITDA Margin	4. NPAT
\$79.1m	\$5.5m	7%	\$2.6m
 from 1H21 51%	 from 1H21 38%	 from 1H21 1%	 from 1H21 57%
5. NPATA *	6. Operating net cash flow pre tax (exclude client moneys)	7. Operating cash flow per share **	8. Interim Dividend per share
\$3.3m	\$5.9m	3.4 cents	0.5 cents
 from 1H21 50%	 from 1H21 30%	 from 1H21 26%	 from 1H21 25%

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

** Operating cash flow excludes effect of investment activities but it does include payments for taxes or interest

1H22 Financial Results - commentary

Financials (in \$m unless otherwise stated)	1H21	1H22	Changes	Changes (%)
Total Revenues	52.4	79.1	26.7	50.9%
Total Operating Expenses	(48.4)	(73.6)	(25.1)	51.9%
EBITDA	4.0	5.5	1.5	38.5%
EBITDA Margin %	7.60%	6.98%	(0.62%)	
NPAT	1.7	2.6	1.0	57.4%
NPAT Margin %	3.17%	3.31%	0.14%	
Operating net cash flow pre tax (exclude client moneys)	4.6	5.9	1.4	29.6%
Cash conversion ratio to EBITDA	1.14	1.07	(0.07)	
Operating net cash flow per share (cents)¹	2.7	3.4	0.7	26.4%
Interim dividend per share (cents)	0.4	0.5	0.1	25.0%

¹ Operating net cash flow excludes effect of investment activities but it does include payments for taxes or interest

Increasing profit:

- EBITDA of \$5.5m, up 38%
- EBITDA margin of 7%, down 1% (historically lower in first half, expect to improve in 2H22). Integration Costs, Abnormal Provisions, and lack of Job Keeper in 1H22 impacted short term margin variance

Growing revenue:

- Recent acquisitions of Panthercorp and Customer books acquired
- Increased capital raising and corporate finance capability
- Elected to unwind a number of structured products before expiry allowing end clients to lock in profits to avoid any potential market correction
- Experienced continued increase in wholesale clearing and execution transaction services

Strong balance sheet:

- No debt and cash balance (exclude client moneys) improved to \$17.4m

Generating shareholder value:

- Operating net cash flow per share up 26.4% to 3.4 cents per share
- Fully franked interim dividend of 0.5 cents per share

ONE MISSION

4 Divisions

20+ Businesses

Wealth

Professional Services

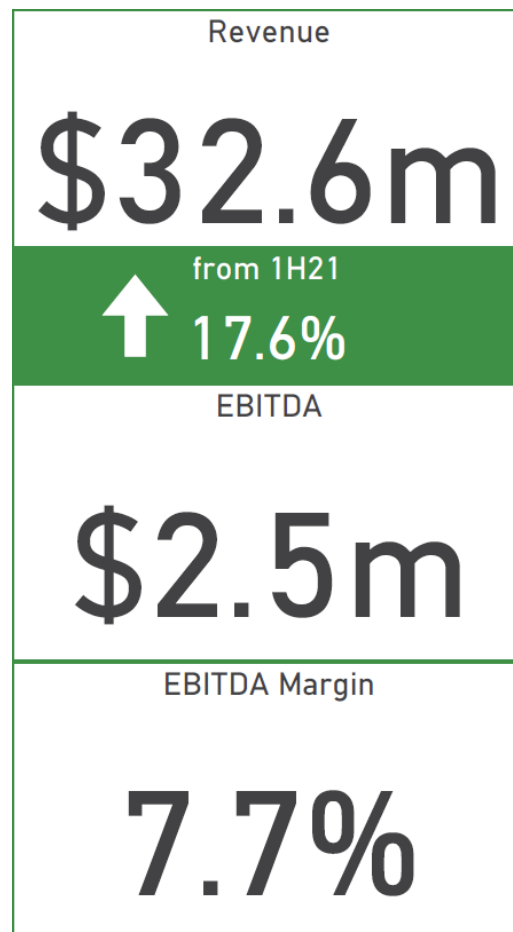
Equity Markets

Direct Investment



Wealth Division

Financial performance



Divisional Goals

INCREASE number of Self Employed Financial Planners to more than 800 under the InterPrac and Libertas licences

INCREASE market presence in corporate finance and wealth management business to enable 50% revenue growth by FY 2023

CONTINUE to acquire retiring advisers practices and recruit more salaried financial planners in to InterPrac Securities

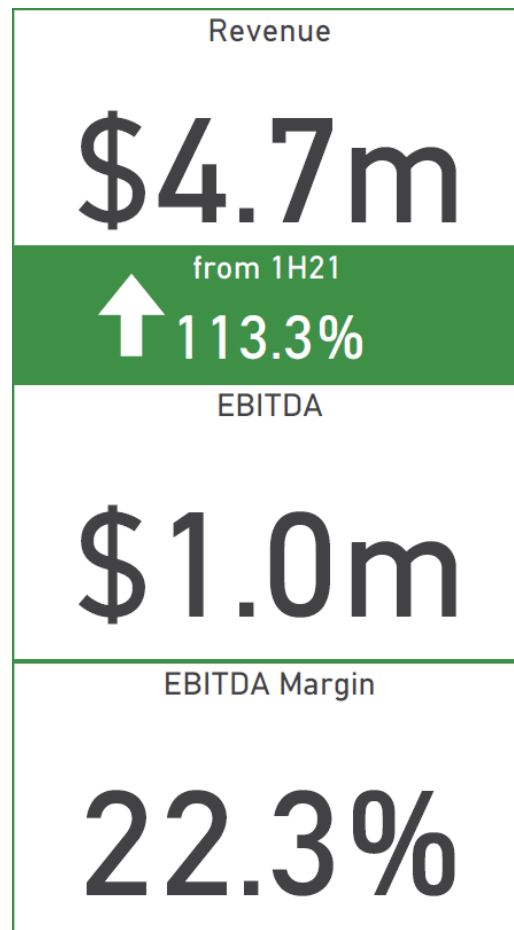
INCREASE FUA, profitability and market share within the Family Office business

2025 to increase annual revenue to \$180 million representing 45% of Group consolidated revenue target by FY 2025 from the \$55m level achieved in FY 2021

Professional Services Division

Financial performance

CONSTITUTE
><DOCSCENTRE



Divisional Goals

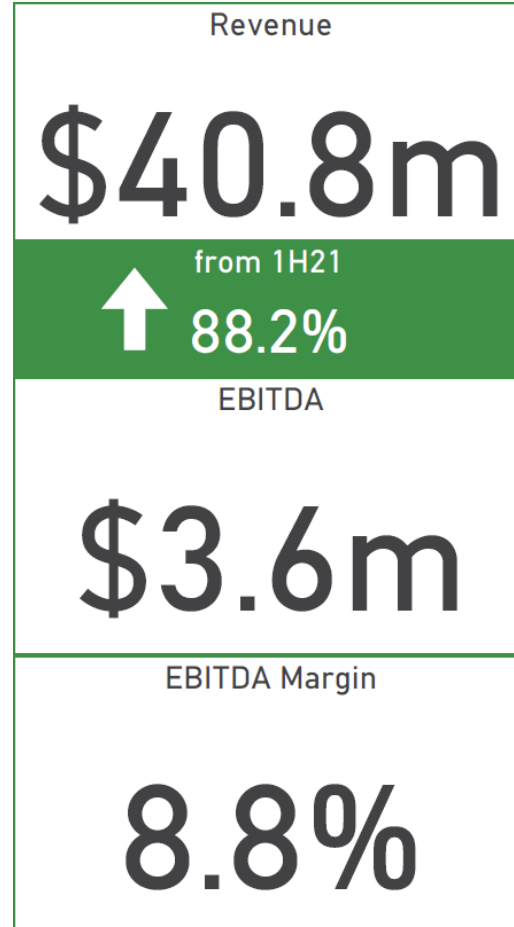
INCREASE the number of accountants and financial planners that use one of our Professional Services from 1,500 to 4,000 by 2025

CAPTURE new revenue streams by providing additional services to the end clients such as establishing payment gateways, general insurance and secretarial services as each new entity registers a company with us (currently establishing about 100 new companies per day)

2025 increase revenue towards \$40 million or 10% of the consolidated group revenue target from the \$7m level achieved in FY 2021

Equity Market Division

Financial performance



Divisional Goals

INCREASE the number of third party AFSL holders selecting Morrison Securities by a further 100% by 2025

PROVIDE wholesale investors and third party AFSL access to investment ideas via the specialist investments business

FURTHER invest in technology and seek partners to further expand service offerings of the clearing business

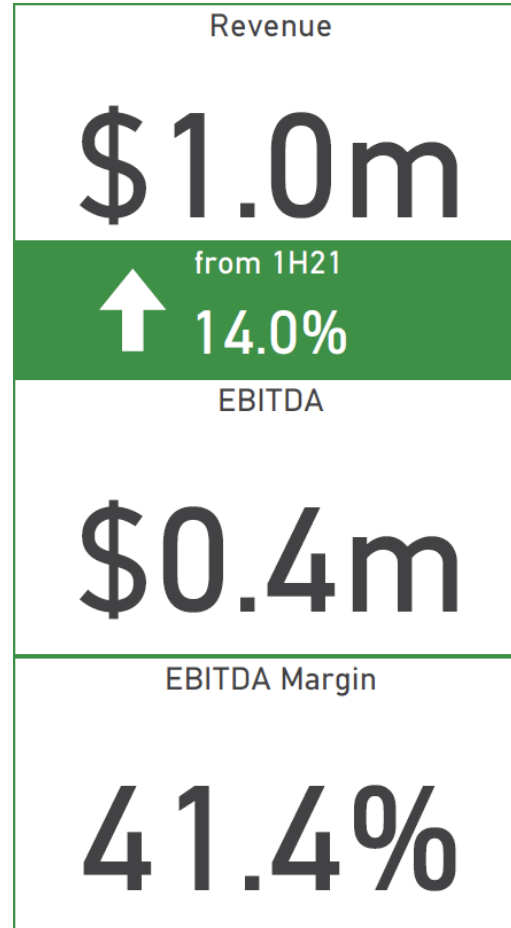
2025 increase revenue towards \$160m or 40% of Group consolidated revenue by 2025 from the \$52m level achieved in FY 2021

Direct Investment Division

Financial performance



yieldreport %



Divisional Goals

INCREASE the scale of group media, research, adviser technology platform to deliver premium investor content organically and via acquisition within next 12 months

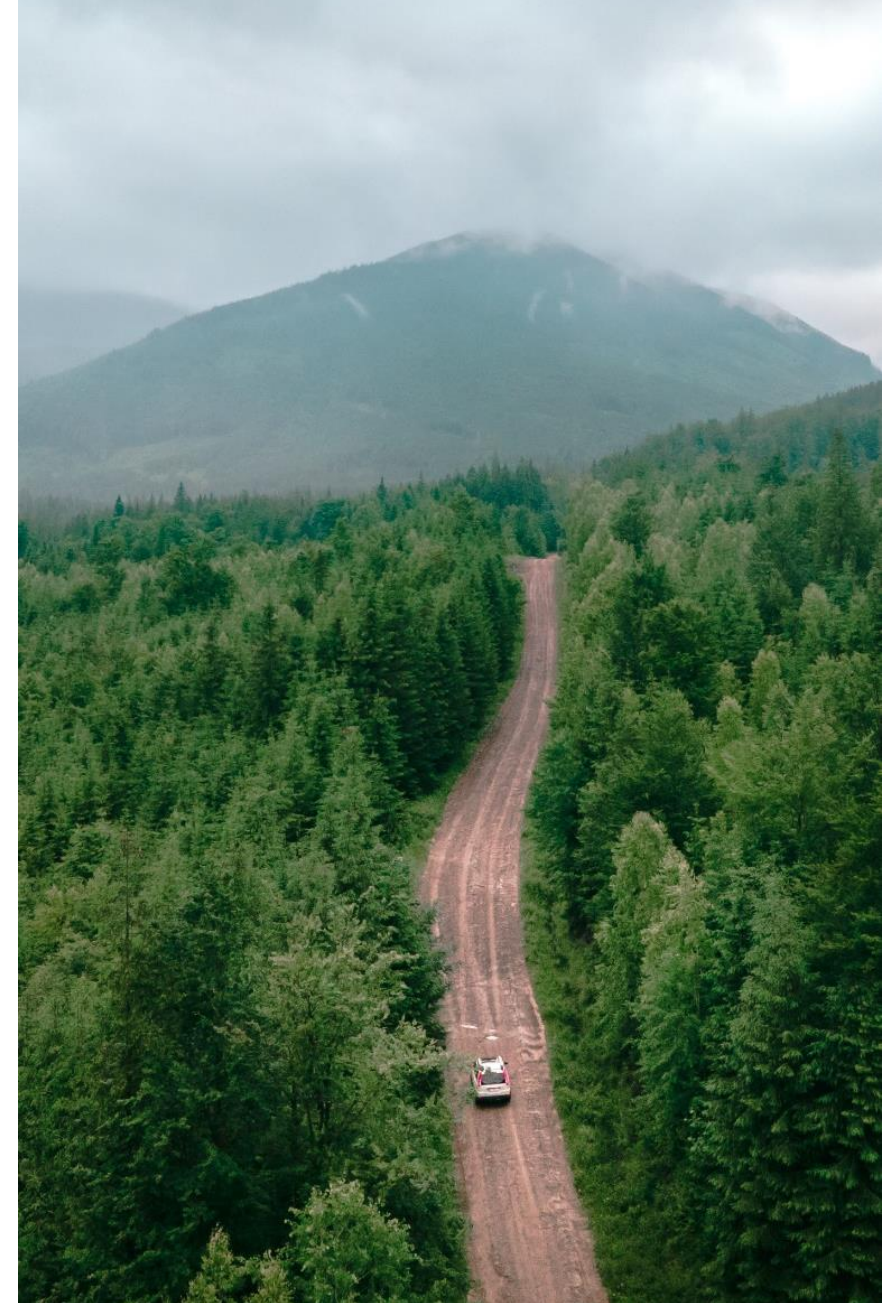
INVEST or partner with technology platform to increase market share of direct share trading business (Ownership of Morrison Securities provides us clearing market advantage)

DEVELOP lower cost general advice and robo-solutions for the market place that cannot afford to engage a full time personal advice professional

2025 increase divisional revenue towards \$20 million from the \$1.9m level achieved in FY 2021

The Sequoia opportunity

- There are approximately **16,000** authorised representatives providing advice under approximately **2,000** AFS licensees in Australia. There is no reason why every one of these cannot access a service from one of the SEQ entities
- There are approximately **10,000** individual accounting practices in Australia. There is no reason why we cannot provide a service to every accountancy practice in some kind
- Sequoia believe these 2 groups of end client gatekeepers need a business like Sequoia that is separated from product and uses scale to provide a service or multiple services to drive down the end cost of receiving advice to their customers
- Australians have approximately **\$14 trillion** of private wealth, of which approx. **\$6.6 trillion is invested in a “managed investment” of some kind**
- Australians need more encouragement to be able to access the services of a qualified professional as intergenerational wealth passes through families, and retirees capitalise when downsizing the wealth created from the SG system and rising home prices
- The emergence of discount brokers, cryptocurrencies, and range of direct to consumer investments is creating excessive risk to those attempting to manage their own affairs without the expertise and knowledge of financial markets, products, and strategies





Questions?



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