



Investor Presentation

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Sequoia is a service business.

The Sequoia mission is to provide premium services to an advice industry we see as made up of 4 key customer groups.

The Market Place

Sequoia's market or core client is any person or business that acts as an influencer of an end consumers financial decision.

We have determined this market to be made up of 4 key customer groups:

1. Licensees or their authorized representatives (The Financial Planner)
2. A tax agent or public accountancy practise (The accountancy firm)
3. A high net worth consumer who is self directed that meets the wholesale investor definition (The HNW)
4. A retail super fund or retail IDPS product provider (Retail Investment managers).

Key customer group market size

➤ Licensees and Authorized representatives

In 2013, there was 2,394 AFSL approved to give personal advice to consumers with over 40,000 representatives

Today in 2023, there is approximately 1,200 AFSL's with 15,872 advisers currently listed on the financial advice registry.

Approximately 16% of Australians or 3.2m consumers use one of these 15,872 planners for personal advice. This is an average of 200 clients per adviser.

➤ Public Practicing Accountancy firms and tax agents

According to current industry statistics, there is 34,396 businesses currently offering accounting services in Australia with 193,000 accountants employed within these practices.

In 2022, approximately 13.5 million individuals lodged tax returns in Australia. It is estimated there was 2.6m actively trading businesses in Australia and approximately 600,000 smsf in Australia, more than 50% of these businesses and smsf funds use the services of a publicly practicing accountancy firm.

➤ Wholesale sophisticated investors

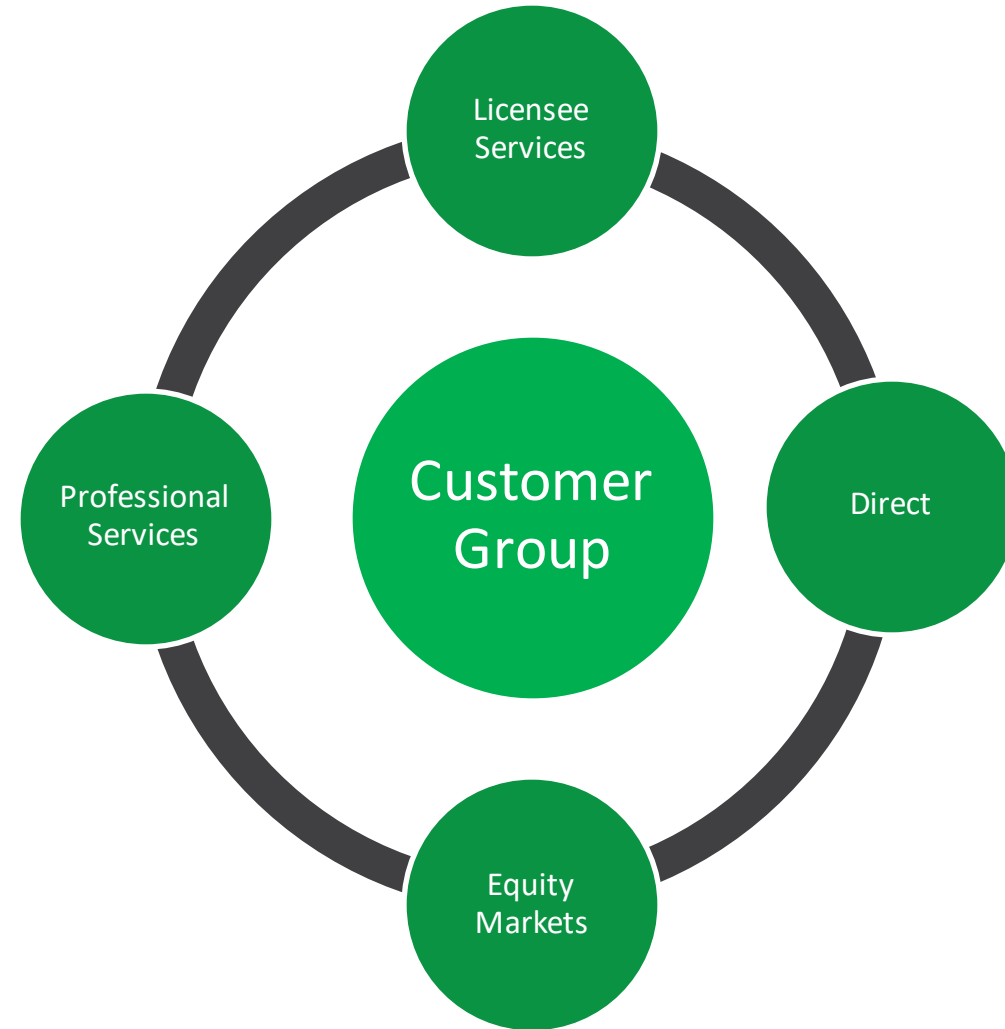
According to the AFR 3.2m people or 1.1m households now satisfy the requirements to be deemed wholesale or sophisticated. This is equivalent to the entire sum of all Australian consumers who use the services of a financial adviser.

➤ Retail funds

According to ABS, there was \$4,415 billion invested in Australian managed investments as of March 2023. The owners of these funds require access to advisers, accountants, wholesale investors, media, research and IR firms to capture a share of this marketplace

Customer Group

- Adviser
- Adviser Client
- AFSL holder
- Accountant Practice
- High net worth consumer
- Fund manager



Current List of services provided to 4 key customer groups

Licensee services

Interprac / SWM (370 advisers)
Interprac Securities (Salaried advisers)
Family Office Advice (Salaried Advisers)
Corporate Finance
General Insurance Broking
Insurance premium funding

Professional Services

Legal Documents (>2,000 practices)
SMSF administration
Finance Broking

Direct

General advice to HNW market (Sequoia Asset Management)
Research (Corporate Connect/Yield Report)
Media (Share café/ FNN/ Informed Investor)

Equity Markets

ASX clearing services (Morrison's)
Investment Management services (SSI, Direct Property)

Market Share

- Sequoia has low market share (<5%) of a very substantial market place
- There should be no reason that Sequoia cannot provide a service to any of this market and has set an internal goal of providing at one service to 15% of the adviser and accountancy practise market by 2026
- At present we act as licensee for 367 of the 15,872 advisers on the Financial Advice Register (2.3% market share (>4% by 2026)
- Without counting the 2.3% of available advisers we license, we provide a service to around 7.5% of licensees in Australia in some form (15% by 2026)
- The legal services business provides a service to more than 2,000 public accountants (5.8% market share (10% by 2026)
- The General insurance business has relationships with 300 tax agents and accountancy practises (1% market share (3%by 2026)
- Research businesses touch approximately 10,000 of the 15,872 adviser market (63% market share (90% by 2026)

Financial targets

- Determine an implied valuation for each business and generate a return on that implied equity of more than 15% in every business within the SEQ group
- Maintain a previously disclosed target to reach \$300m revenue at 8% EBITDA by FY 2026 without the necessity to issue a significant number of new shares as we make acquisitions
- Generate normalized FY 2023 EBITDA of \$10m
- Reduce employment percentage of GP from 47% to 40% by 2026
- Increase EBITDA % of GP from 24% to 33% by 2026
- Increase dividend pay out ratio earlier than previously forecast.



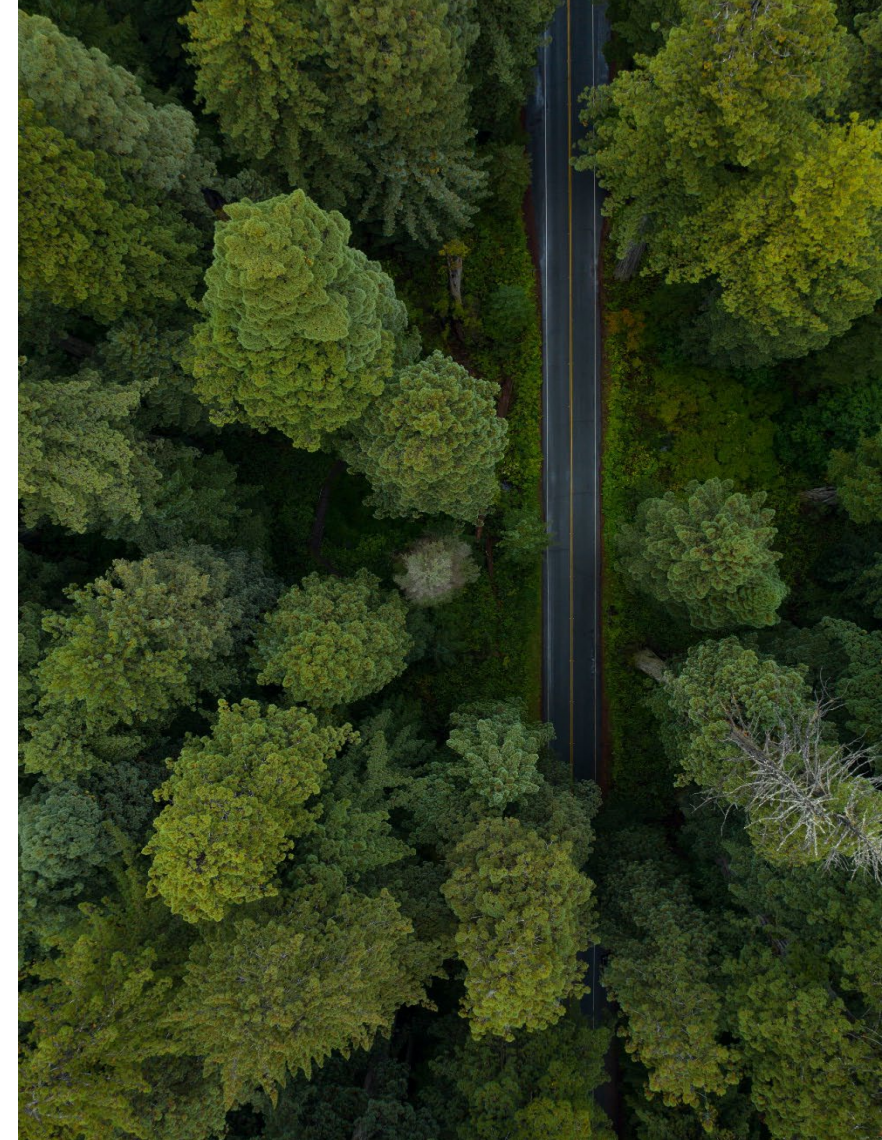
Divestment of Morrison Securities

The SEQ board believed the opportunity for Morrison to expand its service offering was restricted by the SEQ balance sheet and whilst divesting 80% of our equity, we believe the new owner capabilities provide increased scope for this business to improve the service offering and win a greater market share was in the best interests of shareholders and staff.

SEQ is set to receive a total cash consideration of \$40.5m for its 80% equity interest in Morrison Securities which will have a debt free balance sheet with net working capital of \$10.5m on completion. The full purchase price is expected to settle prior to August 31, 2023.

Sequoia anticipates that after allowing for capital gains tax on the sale, it will have <\$40m of cash available to pursue its longer-term growth strategy and undertake capital management strategies to provide the platform for achieving the \$300m of annual revenue at an 8% EBITDA target by 2026.

Having a large cash pool to deploy allows the company to seek out core acquisition opportunities with the option of not having to issue large numbers of new shares as its currency.



Capital Structure

April 25 2023		
Shares on Issue	137.4m	
Share Price	\$0.57	
Market Cap	\$78.3m	
	<u>Prior to Divestment of Morrison Securities</u>	<u>Post 80% Divestment</u>
Cash at Bank	\$15m	\$40m
Normalized EBITDA forecast	\$10m	*\$8.5m
Enterprise Value	\$65m	*\$38m

* Enterprise value post 80% divestment does not consider any carrying value of the 20% equity position maintained in Morrisons business or any of the \$10.5m cash left within that entity.

* Normalized EBITDA forecast is a slight upgrade the forecast for FY 2023 disclosed to market in the half year presentation of February 27 2023.



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