



FY2016 Financial Highlights

31 August 2016

**Sequoia Financial Group Ltd
(SEQ.ASX)**



An Integrated Financial Services Company

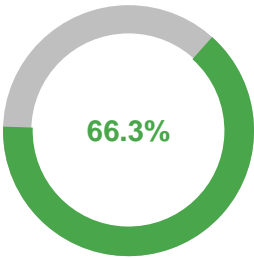


AN INTEGRATED FINANCIAL SERVICES COMPANY

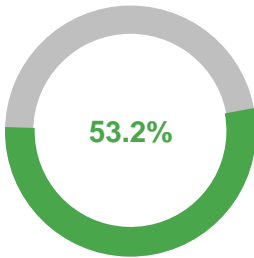
3



Financial Metrics	
ASX Code	SEQ
Shares on Issue(share consolidation pending)	4,880b
Share Price	\$0.002
Market Cap (at \$0.002)	\$9.76m



Top 20 Shareholders



Staff & Associates Shareholders

BOARD MEMBERS

5



Michael Carter
Non-Executive Director & Chairman



Scott Beeton
Managing Director



Marcel Collignon
Executive Director

FY2016 – A TRANSFORMATIONAL YEAR



FY 2016 – A TRANSFORMATIONAL YEAR

7

A strong turnaround in financial performance.

	FY 2016	FY 2015	Change
NPAT	\$285,733	(\$17,974,212)	Positive
EBITDA	\$903,208	(\$1,071,122)	Positive
Operating Income	\$22,548,153	\$20,624,949	↑ 9.3%
Net Assets	\$9,295,270	\$6,654,800	↑ 39.7%

Significantly strengthened balance sheet with ~\$1.9m reduction to trade and other payables.

Ambitious modernisation of legacy trading platforms to new mobile solutions.

Launch of Corporate Advisory division and scaling up of Wealth Management operations during FY16.

Increase in FNN holding to 50.09%, gives broader reach and significantly increases new customer potential.

Well positioned with diverse and 'changing cycle resistant' revenue streams.

FY 2016 – A TRANSFORMATIONAL YEAR

8

1

Transformational Year:

- Profit: **\$285,733 NPAT** (2015: \$17.974m loss).
- Stronger Balance Sheet. Trade and other payables reduced by ~\$1.9m during FY16.

2

Turning around Trading & Execution Businesses.

- Trading & Execution revenues UP 345% (2016: \$8.265m. 2015: \$1.855m).

3

Rebranding complete (corporate & divisions).

4

Well positioned with diverse revenue streams.



FY 2016 – A TRANSFORMATIONAL YEAR

9

- 5 **FNN acquisition integration complete.**
- 6 **New premises in Sydney and Melbourne to allow for further expansion.**
- 7 **Poised for growth from FY2017 and beyond with B2C and B2B offerings.**
- 8 **Share consolidation expected in second half of 2016.**
- 9 **Experienced Board and Management Team in place to drive growth.**



DIVISION HIGHLIGHTS



FY 2016 DIVISION HIGHLIGHTS

11



Trading & Execution

- **FY2016 Revenue: \$8.265m**
- **345% increase in revenue. \$8.265m (FY2015 \$1.855)**



Software Subscriptions

- **FY2016 Revenue: \$1.291m**
- **New software platform to be deployed during late 2016.**



SMSF Administration

- **FY2016 Revenue: \$1.884m**
- **Solid growth, with growing customer base.**



Investment Solutions

- **FY2016 Revenue: \$8.723m**
- **Innovative new product pipeline.**



Wealth Advisory

- **FY2016 Revenue: \$1.520m**
- **New wealth managers engaged with SWG and driving growth.**



Capital Market Advisory

- **FY2016 Revenue: \$0.701m**
- **New team, with multiple long term mandates for FY17.**



Balance Sheet

- Strengthening Balance sheet
- Trade and other payables reduced by ~\$1.9m during FY16.



Funding Capacity

- Profitable with continued growth expected.
- SEQ convertible notes to be replaced/repaid as maturities approach from Nov16-Jan17.

- 🌱 **Maintain profitable growth and strengthen balance sheet.**
- 🌱 **Drive organic growth in operating businesses – real opportunity to scale up existing operations.**
- 🌱 **Leverage cross sale opportunities as customer base increases.**
- 🌱 **Share consolidation in late 2016** (pending shareholder approval).
- 🌱 **Realise value from strategic investments.**
- 🌱 **New acquisitions targets that are EPS accretive and complement existing businesses.**

APPENDIX 1:

Consolidated Statement of Profit & Loss. FY2016

	Note	Consolidated	
		2016 \$	2015 \$
Revenue	4	22,980,597	21,406,293
Expenses			
Data fees		(1,139,430)	(575,189)
Dealing and settlement		(6,498,185)	(2,098,539)
Payments to investors		(3,965,169)	(9,690,353)
Commission and hedging		(4,128,428)	(4,773,828)
Employee benefits	5	(4,103,466)	(2,814,908)
Occupancy		(379,491)	(307,135)
Telecommunications		(268,881)	(135,299)
Marketing		(203,995)	(245,994)
General and administrative		(1,390,344)	(1,836,170)
Impairment	5	(160,861)	(17,130,595)
Other expenses		(240,756)	(119,866)
Profit / (loss) before income tax from continuing operations		501,591	(18,321,583)
Income tax (expense)/ benefit	6	(215,858)	347,371
Profit / (loss) from continuing operations		285,733	(17,974,212)
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</i>			
Fair value gains on available-for-sale financial assets, net of tax		297,645	-
Total other comprehensive income		297,645	-
Total comprehensive income for the year		583,378	(17,974,212)
Total profit/(loss) and comprehensive income attributable to:			
- Members of the parent entity		618,042	(17,974,212)
- Non-controlling interest		(34,664)	-
		583,378	(17,974,212)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

APPENDIX 2:

Consolidated Statement of Financial Position, FY2016

	Note	Consolidated	
		2016	2015
		\$	\$
Assets			
Cash and cash equivalents	7	812,831	813,627
Trade and other receivables	8	1,584,841	2,582,280
Derivative assets	9	883,111	5,390,430
Income tax receivable		-	10,529
Other assets	10	181,038	152,805
Deferred costs	11	2,885,985	4,177,368
Total current assets		6,317,816	12,928,947
Financial assets			
Plant and equipment	12	1,838,575	1,213,248
Intangible assets	13	154,847	30,349
Derivative assets	14	8,813,012	7,855,188
Deferred tax assets	9	5,278,888	5,499,888
Other assets	8	2,482,036	3,321,788
Deferred costs	10	1,215,852	1,088,507
Total non-current assets	11	2,334,581	2,750,819
Total assets		28,432,795	34,485,518
Trade and other payables			
Derivative liabilities	15	2,274,715	4,181,572
Employee benefits	9	883,111	5,390,430
Deferred revenue	18	370,451	287,721
Borrowings	17	3,481,282	5,119,825
Total current liabilities	16	2,080,000	-
Total current liabilities		9,004,539	14,859,548
Borrowings			
Derivative liabilities	16	-	1,880,000
Employee benefits	9	5,278,888	5,499,888
Deferred tax liabilities	18	32,517	13,107
Deferred revenue	8	1,778,045	2,204,782
Total non-current liabilities	17	3,043,758	3,303,385
Total liabilities		19,137,525	27,840,718
Net assets		9,295,270	6,654,800
Equity			
Contributed equity	19	28,724,112	24,785,885
Reserves	20	177,088	(482,765)
Accumulated losses		(17,670,141)	(17,628,320)
Parent interest		9,231,089	6,654,800
Non-controlling interest	34	84,201	-
Total equity		9,295,270	6,654,800

The above statement of financial position should be read in conjunction with the accompanying notes.

APPENDIX 3:

Strategic Investments

- **Finance News Network: an online provider of finance video news (SEQ: 50.09%)**
- **NobleOak Limited: unlisted Australian APRA regulated life insurer (SEQ: ~4% at 30 June 2016)**
- **Goldfields Money Limited: ASX listed Authorised deposit taking institution (SEQ: 2.4%)**



CONTACT

17

Managing Director & CEO:

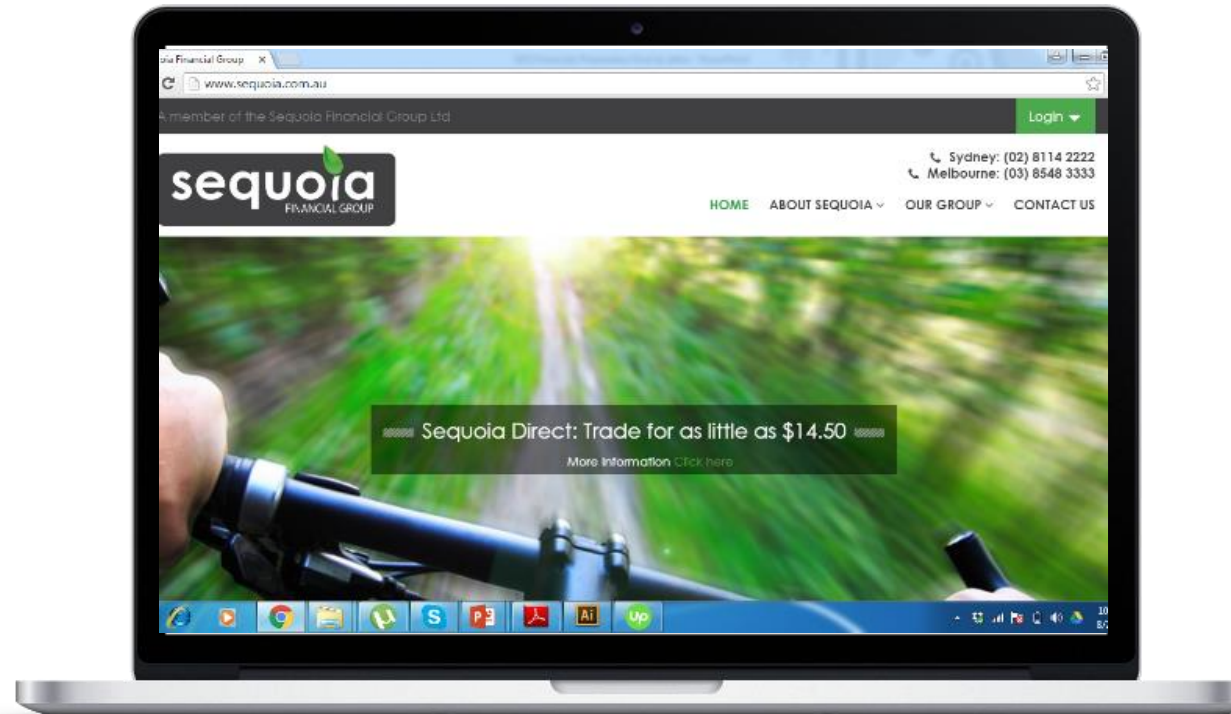
Scott Beeton

scottbetton@sequoia.com.au

Media & Investor Relations:

Ben Jarvis – Six Degrees

benjarvis@sdir.com.au



www.sequoia.com.au

Sydney Office:

Level 36, 50 Bridge St
(02) 8114 2222

Melbourne Office:

Level 4, 4 Collins St
(03) 8548 3333

This information is for general information purposes only and is not intended to be relied upon for the purpose of making an investment decision. The information does not constitute an offer of any financial product or an invitation or solicitation to buy or sell financial products including securities to any person. Potential investors should seek independent financial and taxation advice before making any investment decisions.

Sequoia Financial Group Limited ("company"), its directors, officers and employees do not warrant the accuracy, reliability or completeness of information contained in the website. To the extent permitted by law, the company, its directors, officers and employees disclaim all responsibility for any loss or damage arising in any way from any representation or any error or omission in the information or from any resulting loss or damage (whether direct or indirect) suffered as a result of the use of this material by any person.

The information provided within the document is not intended to be a complete description of matters described, and should not be relied upon for any purpose. The document should be read in conjunction with the Appendix 4E and annual accounts for the financial year ended 30 June 2016 of the Company. If you require further information about any of the matters described herein, please contact us.

Except to the extent permitted by law, the materials contained may not be reproduced, distributed or transmitted or incorporated into any other document or material, without the express written permission of the company. Sequoia Financial Group Limited has made every effort to ensure the reliability of the views and recommendations expressed in this material. The information presented is based upon information known to us or information obtained from sources external to the company, which we believed to be accurate and reliable at the time of publication but we do not warrant its completeness or accuracy, or warrant any results from the use of the information. Past performance is not a guaranteed indicator of future performance.

This information is prepared for the general information of traders and investors. The information does not take into consideration the specific needs, investment objectives or financial situations of any person. Any individual reading this should discuss, with their financial planner or advisor, the merits of any recommendation or offer presented in this material for their own specific circumstances and realise that not all investments are appropriate for every individual.

Financial Services are provided by Sequoia Asset Management Pty Ltd (AFSL No. 341506), D2MX Pty Ltd (AFSL 297950), and Sequoia Direct Pty Ltd (AFSL 333297).