

ASX AND MEDIA RELEASE

Wednesday 21 February 2024

SEQUOIA FINANCIAL GROUP - FIRST HALF FY24 FINANCIAL RESULTS
Sequoia delivers strong growth in Revenue, Profit and Dividends

Sequoia Financial Group Limited (**ASX: SEQ**) (**Sequoia or the Company**) today released its First-Half Financial Results for FY24 (1H24).

Result Highlights:

- 1H24 Revenue \$62.8m, up 43.7%
- NPAT up 4317% to \$27.8m
- Continuing Operations EBITDA \$3.2m, up 47.5% (\$3.6m excluding one-offs)
- 2 cents per share fully franked interim dividend, up 186%
- Bank debt repaid, share count reduced, strong balance sheet maintained

Result summary and capital management

For 1H24 total revenue on continuing operations was \$62.8m, an increase of 43.7% on the previous period. Morrison's was sold in the period and did contribute to the revenue result. Continued Operations EBITDA was up 47.5% to \$3.2m (\$3.6m when excluding non-recurring items). Net Profit After Tax (NPAT) up 4317% to \$27.8m, driven by the sale of 80% of Morrison Securities.

The Company has established a strong record of capital management and generating positive returns for shareholders. Since 1H20 when SEQ's share price was 20 cents, and net assets were 7.9 cents per share, Sequoia has returned 10 cents per share in fully franked dividends from cash flows. Through this period Sequoia has maintained a healthy balance sheet.

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

For further information please contact:

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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.

Registered Office:

Level 7
7 Macquarie Place
Sydney NSW 2000

Phone: +61 3 9209 9777

Email: info@sequoia.com.au

Website: www.sequoia.com.au

In September 2023, a special dividend of 4 cents per share fully franked was paid. Furthermore, the Company is pleased to announce an interim dividend of 2 cents per share fully franked to be paid in March 2024, this represents dividend growth of 186% on the prior corresponding period (PCP).

The ongoing share buyback program has proven to be effective, with the acquisition of 5m shares at a total consideration of \$2.6m.

In the period Sequoia completed the earnings accretive acquisitions of Castle Corporation and Australian Business Structures, leveraging our cash reserves. These acquisitions are expected to contribute significantly to our 2H24 revenue, with anticipated revenue of \$1.1m.

To maintain a strong balance sheet and prudently reduce financial liabilities, the Company repaid an ANZ loan of \$1.75m and is now debt free.

Sequoia's financial statements demonstrate the Company's unwavering commitment to providing value to its shareholders while also ensuring financial stability and sustainable growth. The Company maintains a strong balance sheet, with \$23m in cash and liquid investments.

Operational Highlights

Sequoia's divisional highlights in the first half of FY24 included:

- Licensees Services division achieved the highest net organic growth in adviser numbers in CY23
- Licensees Services achieved top line revenue growth over 50% despite the ongoing reduction of industry advisers
- Completed two acquisitions within the Professional Services division - Castle Corporation for up to \$3.15m and Australian Business Structures for \$2m, with integration of both now largely completed.
- Invested in the restructure of Direct Investment division to allow it to return to profit in 2H24
- Equity Markets division invested in new distribution channels, providing a solid platform for continued growth

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Outlook

In FY24 Sequoia anticipates a return to earnings growth for all business divisions. The Company reaffirms the previously provided revenue target for around \$130m for FY24. Normalised EBITDA is expected to be in the range of \$8.1m to \$10m. These outcomes can be achieved off the back of strong tailwinds, notably in 2H24 from the Licensees Services and Professional Services divisions. An improved return on investment is also expected from our resurgent Equity Markets and Direct Investment divisions following restructures within these business units.

The longer-term revenue target of \$300m at 8% pre-tax operating cash flows remains our goal.

CEO & MD Comments, Mr Garry Crole: “The first half saw Sequoia deliver strong financial results, further capital management in the interests of shareholders and solid operating results. Pleasingly the business has some momentum heading into the second half.

SEQ is a profitable, growing and well capitalised financial services group seeking to generate >15% ROME* per annum across each of its 4 key Business Divisions.”

*(*ROME – is a non-GAAP measure based on internal management valuation of the asset)*

-END-

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