

27 February 2017

HALF YEAR REPORT

- Period Ended 31 December 2016

Highlights

- **Record half year statutory profit result of \$474,073**
- **EBITDA of \$947,337**
- **Significant uplift in revenue and net cashflow**
- **Stronger balance sheet**
- **Well positioned to support growth initiatives**

Sequoia Financial Group Limited (**ASX: SEQ**) (“SEQ”, “Sequoia” or “the Company”) is pleased to report its financial performance for the half year ended 31 December 2016.

A record statutory profit of **\$474,073** (HY16: \$3,326) was achieved. EBITDA was a pleasing **\$947,337** (HY16: \$207,020) and underlying NPAT showed significant improvement.

Half Year Operating Overview

During the period, the Company reported a 61% increase in receipts from customers to **\$17.6 million** (HY16: \$10.9 mill) benefiting from improved scale, new clients and growth opportunities emerging from our horizontally integrated business model.

Management directed considerable attention toward Trading and Execution, Capital Markets Advisory and Wealth Advisory divisions during the period. These efforts together with positive tailwinds from equity capital markets saw each of these divisions deliver stronger revenues and improved margin outcomes.

The SMSF Administration division continued to benefit from self directed investors seeking greater flexibility and control over their superannuation. Improved operational efficiencies contributed to the enhanced segment result compared to the prior corresponding period.

The Investment Solutions division saw the launch of its funds management activities with the release of the AIM Gateway Fund. The division also benefited from stronger investment support for its bespoke and new structured product offerings. Importantly, the financial contribution from these products are amortised over the lifecycle of each product and reflected progressively over subsequent periods.

Software Subscription revenues were impacted in the half year period by the time taken to complete enhancements to its software platform. This initiative has now been completed with improved results expected over the course of the next 12 months.

The Company continues to assess the divestment of its non-core investments recognised in the balance sheet.

Commenting on the Company's performance, Sequoia's Chairman Michael Carter said, *"This result is a testament to the hard work and dedication of our Management and Staff over the past 12 months. The Board is delighted to be delivering to shareholders another solid financial result and outlook. We have now firmly established the foundations for future growth and our focus in the period ahead is to further develop our profile, increase cross divisional opportunities and pursue potential acquisitions that will add further earnings and scale to key business activities."*

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ABOUT SEQUOIA FINANCIAL GROUP LIMITED

ASX-listed Sequoia Financial Group Limited (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 D2MX is an ASX Market Participant