

## **ASX AND MEDIA RELEASE**

**Monday, 27 February 2023**

### **SEQUOIA FINANCIAL GROUP ANNOUNCES 1H23 RESULTS**

Sequoia Financial Group Limited (ASX: **SEQ**) (**Sequoia** or the **Company**) today released its first half 2023 financial results.

#### **1H23 Financial Performance**

- Revenue \$61.1m
- Operating Profit/ EBITDA \$3.2m
- NPAT \$0.6m
- NPATA \$1.3m
- Operating net cash flow pre-tax (exclude client moneys) \$2.5m
- Interim dividend of 0.7 cents per share fully franked

Sequoia's first half performance has been impacted by one-off expenses.

#### **Licensees Services Division**

As previously disclosed the delay in recovery of claims cost repatriation of more than \$2M along with increased adviser servicing costs is responsible for the shortfall in this division.

We are making progress in seeking a recovery of these payments from our professional indemnity insurers, however, no contingent asset recognised at this stage.

The number of advisers in this division was 343, which is stable compared to the previous period despite a significant reduction in industry adviser numbers. The business development team is actively recruiting under the Interprac Financial Planning AFS licence and expect to see the Licensee Services division record a very strong 2H23.

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

#### **For further information please contact:**

**Garry Crole, Managing Director +61 3 9209 9777**  
**Sally McDow, Company Secretary +61 420 213 035**

#### **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](mailto:info@sequoia.com.au)

**Website:** [www.sequoia.com.au](http://www.sequoia.com.au)

### Direct Investment Division

Direct Investment division revenue increased 73% to \$1.8m. EBITDA has declined compared to 1H22 due to integration of media businesses has taken longer than expected.

Whilst the integration is causing short term pain to our bottom line, we have significantly improved this division's market offer and remain confident the second half results will better reflect the opportunities that we believe we can capitalise on.

### Equity Markets Division

The Sequoia Specialist Investments' new structured products offered was lower at our election, due to concerns regarding market volatility and interest rate uncertainty.

Morrison Securities clearing business continues to gain market share and add additional services.

### Professional Services

This division continues to perform well, and the Company sees the potential for further consolidation and acquisition in the sector. The margins remain solid.

### Summary

Whilst our short-term result is well below our expectations, the Board remains confident that we are executing on our long-term strategic initiatives, and that the business fundamentals are in very good shape.

On that note, we confirm a half year dividend of 0.7 cps, fully franked, a 40% increase from 1H22 dividend of 0.5 cps, with an expectation that 2<sup>nd</sup> half results will return to the previous period's level.

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**Further Information:** Readers are referred to in the Company's Half Year Report (**Appendix 4D**) and Investor Presentation for additional information regarding its half-year financial performance.

### **Investor Teleconference**

Investors and shareholders are invited to participate in a conference call briefing on Sequoia's 1H23 results, hosted by Sequoia's Managing Director and CEO, Garry Crole today, **Tuesday, 28 February 2023 at 11.00 am (AEDT)**.

Please use the following link to register for the conference call:

<https://events.teams.microsoft.com/event/e83a648b-f442-46ff-aeaf-fad00dfc6b60@e3b81586-6fdb-4473-93bd-305172c46083>

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