



# Financial Highlights

Half Year Report & Investor  
Presentation March 2018

Period Ended 31 December 2017

Unrivalled Capital Market Distribution



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## About Sequoia Financial Group

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Sequoia Financial Group Limited (ASX:SEQ) is an integrated financial services company providing financial products and services to self-directed retail and wholesale clients and those of third party professional service firms.



# Company Overview

Horizontal Integrated Business

Creating a broad based financial services business for the capital markets takes time. We are just beginning to return shareholder value:



We provide;

- Investment and superannuation products
- Wealth management and advisory services
- Corporate advisory and capital markets expertise
- Legal Practice Establishment Solutions
- Retail, wholesale and institutional share trading platforms
- Market data and financial news services
- AFSL & ACL Licensing solutions
- SMSF Taxation, accounting, bookkeeping & reporting solutions
- Sequoia operates various AFSL licenses and its subsidiary d2mx & Morrison Securities is an AS

# Corporate Overview

## Board of Directors



**Michael Carter**  
Non-Executive Chairman

Michael has an extensive financial services background in investment, superannuation and financial advice. He was appointed to the Board in March 2015.

He was formerly the Managing Director at Bridges Financial Services, Executive Wealth Management and associated entities at IOOF Holdings. Bridges was a Market Participant and major financial planning organisation. Prior to this he held executive roles at NRMA Insurance (now IAG) and Macquarie Bank (now Macquarie Group).

Michael is currently the Managing Director of Qualia Financial Group which provides strategic consulting services to industry participants.



**Scott Beeton**  
Managing Director / CEO

Scott is co-founder of Sequoia and has spent almost 20 years working within the finance industry. He joined the Board as Managing Director following the successful merger of Sequoia and MDS Financial Group Ltd in January 2015.

He currently also serves on the Board of various subsidiary entities of the Sequoia Financial Group Ltd.



**Garry Crole**  
Non-Executive Director

Garry has been involved in the establishment and development of financial services firms for over 30 years. He has been appointed to the Board in November 2016.

He founded Deakin Financial Planning (DKN) Ltd an ASX listed company that was later acquired by IOOF. He also served as a Non-Executive Director of Diversa Limited which has recently merged with OneVue Limited (ASX: OVH).

Garry is currently the founder of Interprac Financial Planning, a leading independently owned AFS Licensee and is a Non-Executive Director of Glennon Capital Limited (ASX: GC1), a listed investment company.



**John Larsen**  
Non Executive Director

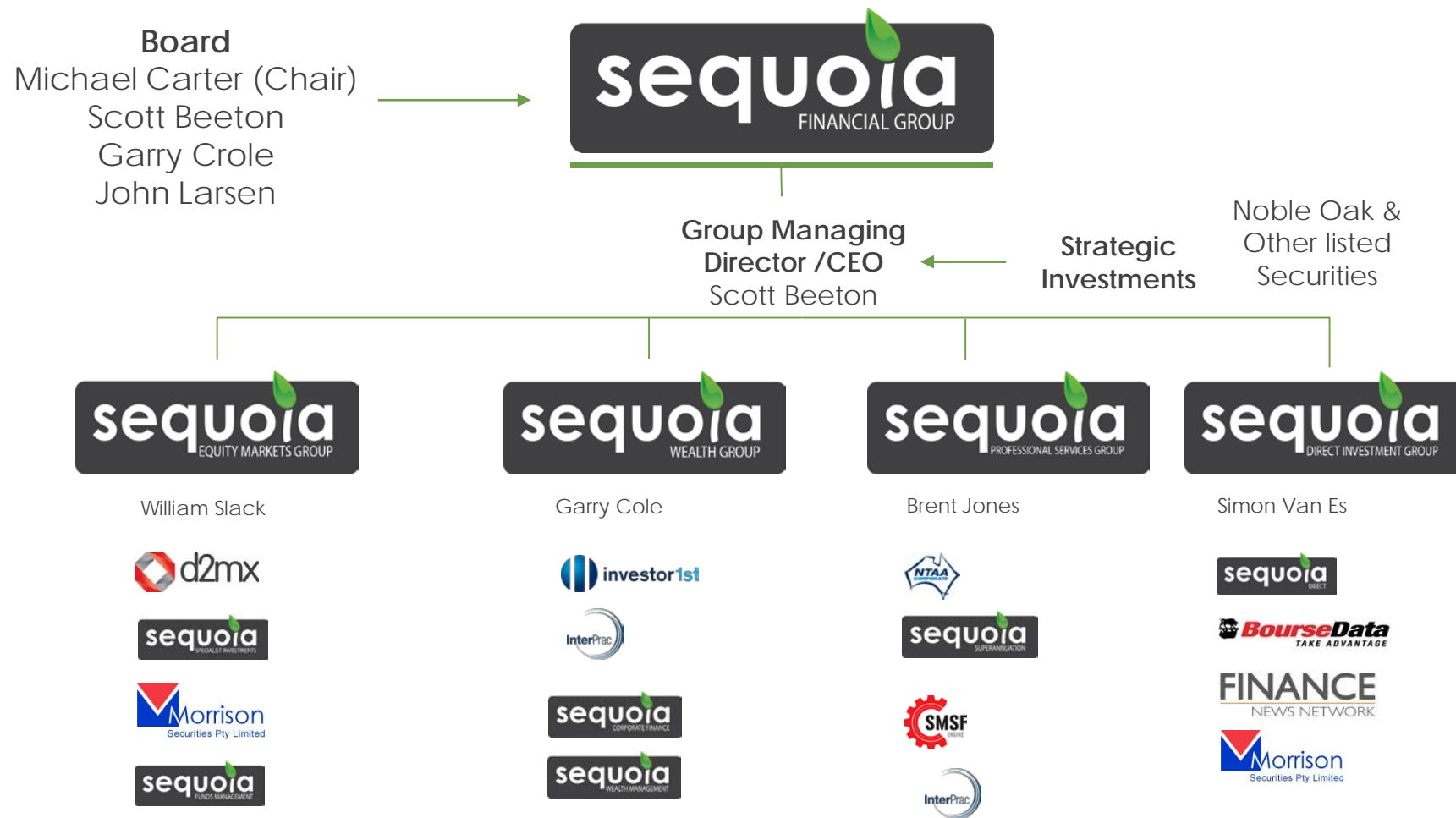
John has in excess of over 30 years' experience in financial services, including senior management positions and directorships across various businesses licensed to provide financial services including funds management, advice and stock broking.

John is also a non executive director of Glennon Small Companies Limited, an Australian Small Caps Funds Manager and individually managed accounts.

His previous positions include the Chairman of Odyssey Funds Management, Group Investment Manager at ING (then Mercantile Mutual Group), Head of Equities for Deutsche Bank in Australia, Director of County Natwest Securities (now part of Citigroup), was in charge of institutional sales and Director of Equity Capital Markets, Hartley Poynton Corporate division.

# Corporate Overview

## Structure & Brands





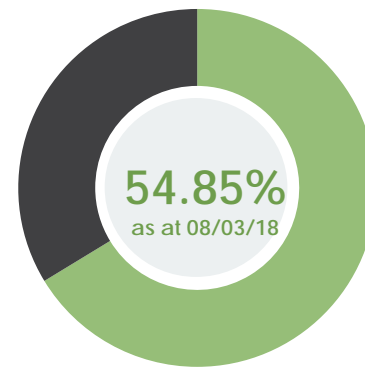
# Corporate Overview

## Capital structure

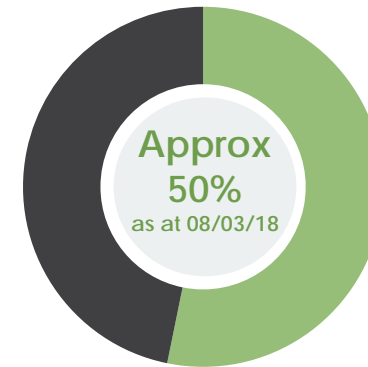
### SEQ Capital Structure (as at 8/3/17)

Shares on issue (includes escrow shares)	102.8 mill
Performance shares on issue	1.3 mill
Market cap at \$0.31	\$37.8 mill
Cash at bank* (as at 31 Dec 2017)	\$12.9 mill
52 week high	\$0.42
52 week low	\$0.26

\* excluding cash bonds & bank guarantees totaling an additional \$2.22 mill and investments recognised in the balance sheet totaling a further \$3.59 mill



Top 20  
Shareholders



Staff & Associate  
Shareholders





# Financial Results - Half Year 2017

Period Ending 31 December 2017

Key Financials	1H2018	1H2017	Change	
Operating Revenue	\$20,576,876	\$16,247,167	26.6%	increase
EBITDA	\$1,233,640	\$947,367	30%	increase
Statutory NPAT	\$628,324	\$474,073	32.5%	increase
One off Acquisition Costs	\$275,835			
Normalised EBITA	\$1,509,475			
Operating Cash Flow	\$7,344,878	\$1,169,518	528%	increase
	Dec 17	Jun 17	Change	
Basic EPS (Prior period: Restated)	1.001	0.971	3%	increase
Net Assets	\$26.74 mill	\$10.20 mill	162%	increase
NTA per ordinary share (cents)	6.02	2.04	195%	increase
Cash at Bank*	\$12,854,666	\$6,177,418	108%	increase

\* excluding cash bonds & bank guarantees totaling an additional \$2.22 mill and investments recognised in the balance sheet totaling a further \$3.59 mill

# Financial Results - Half Year 2017

Period Ending 31 December 2017

## Dec 2017 Result if Morrison & InterPrac were owned since 1 July 2017

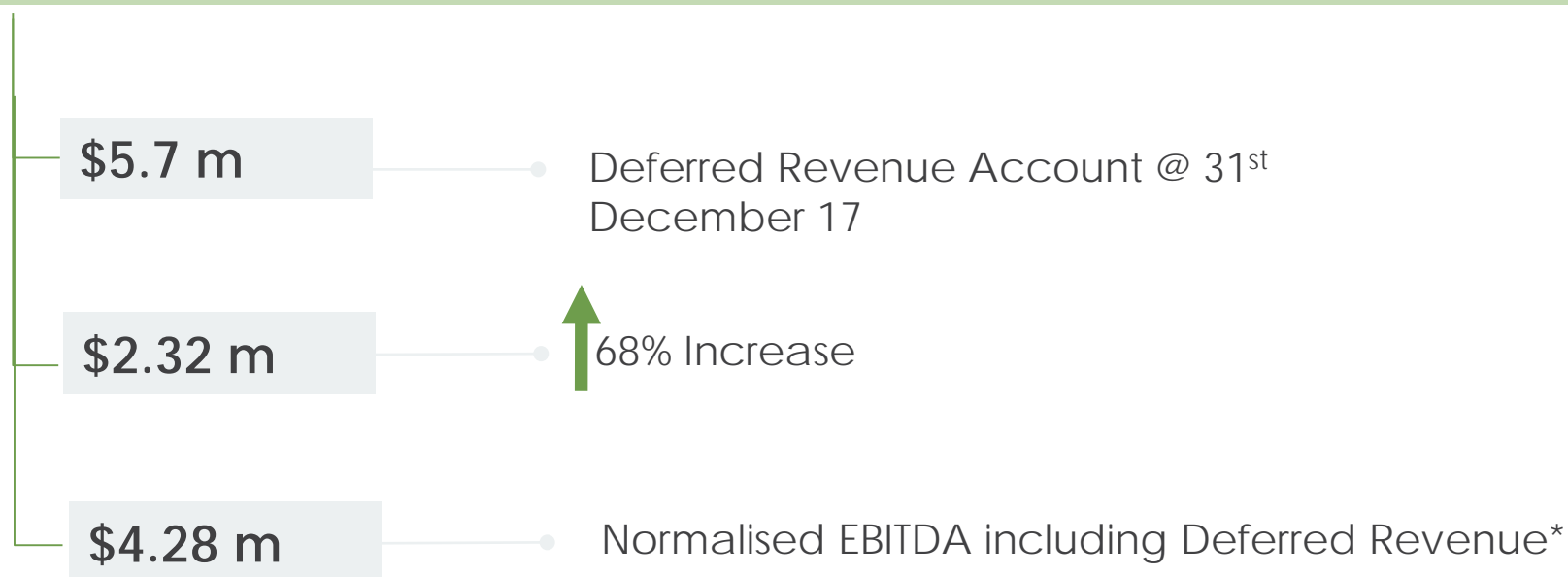
Key Financials	1H2018
Operating Revenue	\$32,864,776
EBITDA (31 <sup>st</sup> Dec 17)	\$1,233,640
InterPrac & Morrison Securities EBITDA*	\$455,056
One off Acquisition Costs	\$275,835
Normalised EBITA	\$1,964,531

- \*InterPrac Period 01.07.17 – 30.11.17 & Morrison Securities 01.07.17- 15.08.17

# Financial Results - Half Year 2017

Period Ending 31 December

## Deferred Revenue Account



EBITDA\* Including Deferred Revenue for the period and InterPrac & Morrison Securities assuming they were owned at 1<sup>st</sup> July 17

# Highlights of 1<sup>st</sup> Half FY18

- Recorded positive operating cash flow of \$7.34m;
- Revenue of \$20.58m up 26.6% on prior comparable period;
- Cash balance of \$12.85m;
- Completed Acquisition of InterPrac Limited 01/12/2017;
- Completed Acquisition of Morrison's Pty Ltd 18/09/2017;
- Restructured the business under 4 core operating divisions;

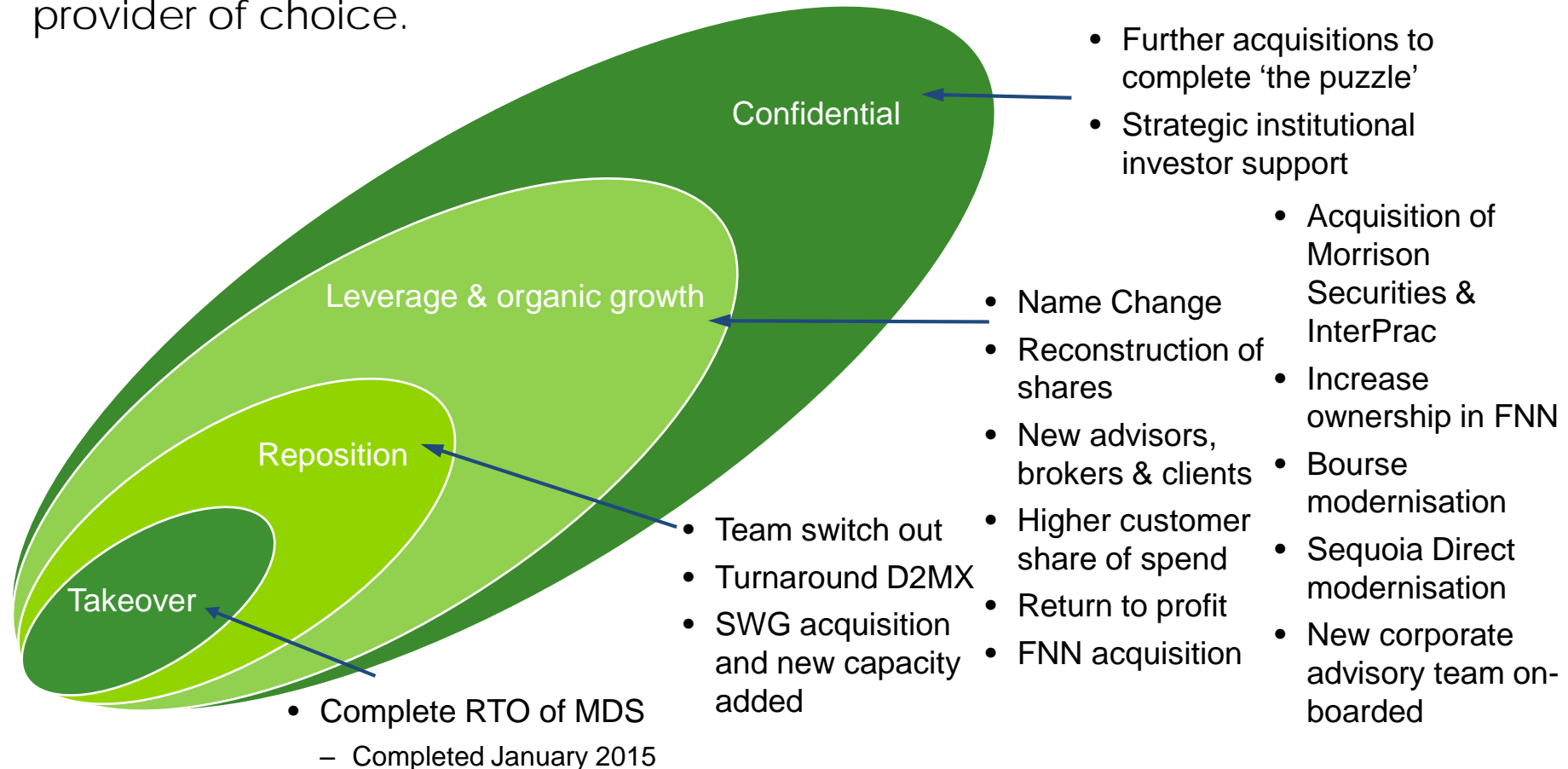


# Highlights of 1<sup>st</sup> Half FY18 Continue

- Re platform Bourse Software – Direct Savings over \$200k pa;
- Increased ownership in Financial News Network Pty Ltd (77.07%);
- Increase in Sequoia Wealth group adviser numbers by 15% over the last 6 months;
- InterPrac Financial Planning named IFA dealer group of the year;
- Appointment of John Larsen as Non Executive Director.

# Our Journey – Phased Expansion

Our vision is to become the capital markets full-service financial services provider of choice.



# Growth Strategy

## Organic

Organic growth of SFG will be supported by strategic alliances and key partnerships in order to expand the SFG customer base and distribution capabilities, supported by the development of technology platforms. Other organic growth will be generated through key Business Development hires.

## Acquisition

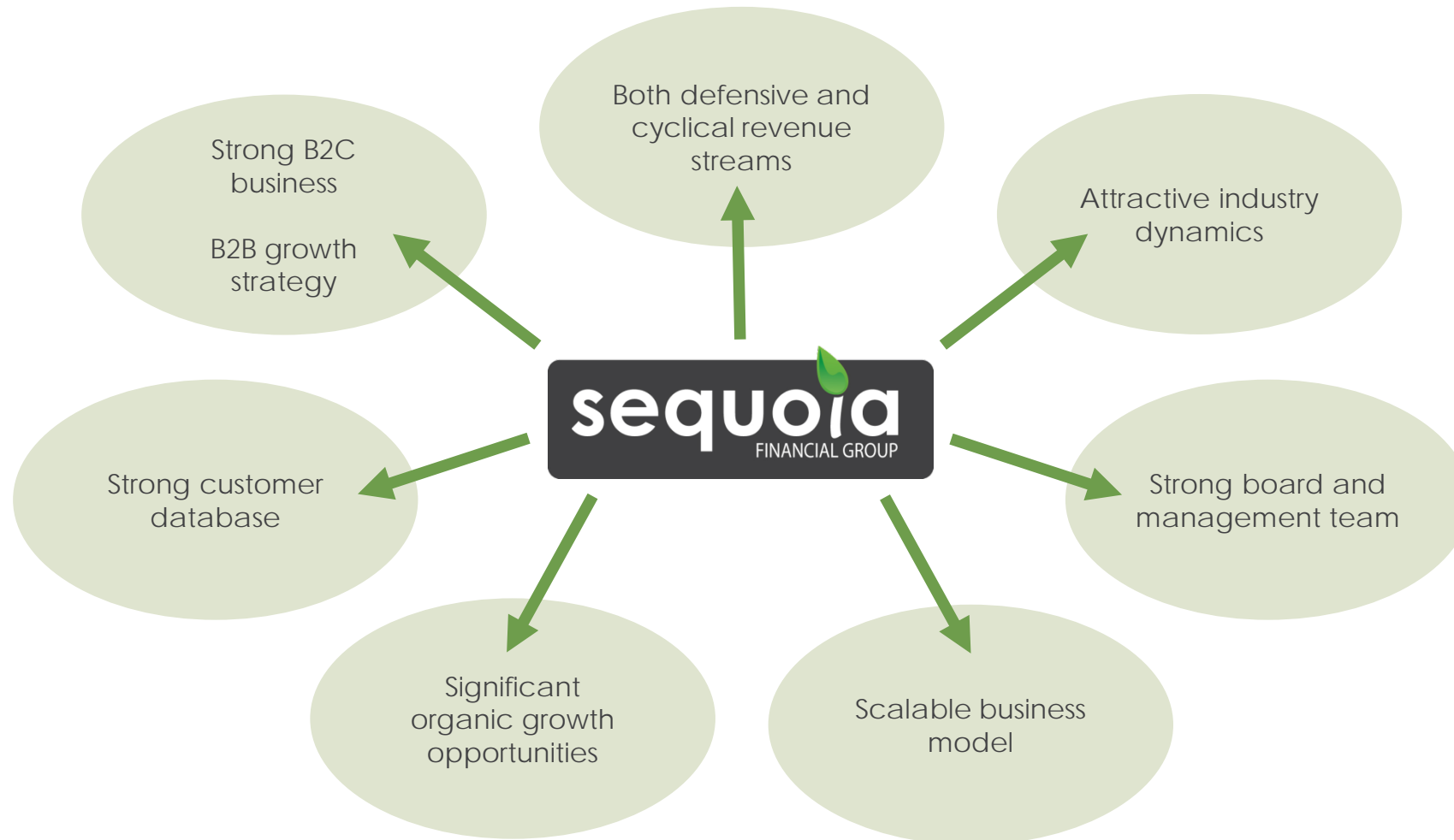
Carefully targeted acquisitions are currently in discussion in complementary sectors, as well as key "bolt-ons". The underlying logic of the acquisition program is systematic vertical integration and reinforcement of existing strategic operating business units.

### The overall future growth strategy is designed to provide:

- Diversified and 'cycle-change-resistant' income streams;
- Selective vertical integration enabling a number of differentiated value propositions for both B2C and B2B;
- 'shared services' scale economies;
- Greater distribution through cross-selling and channel (external) business development activities;
- Cost structure optimisation
- 3-year target \$100m Revenue

# Existing Business

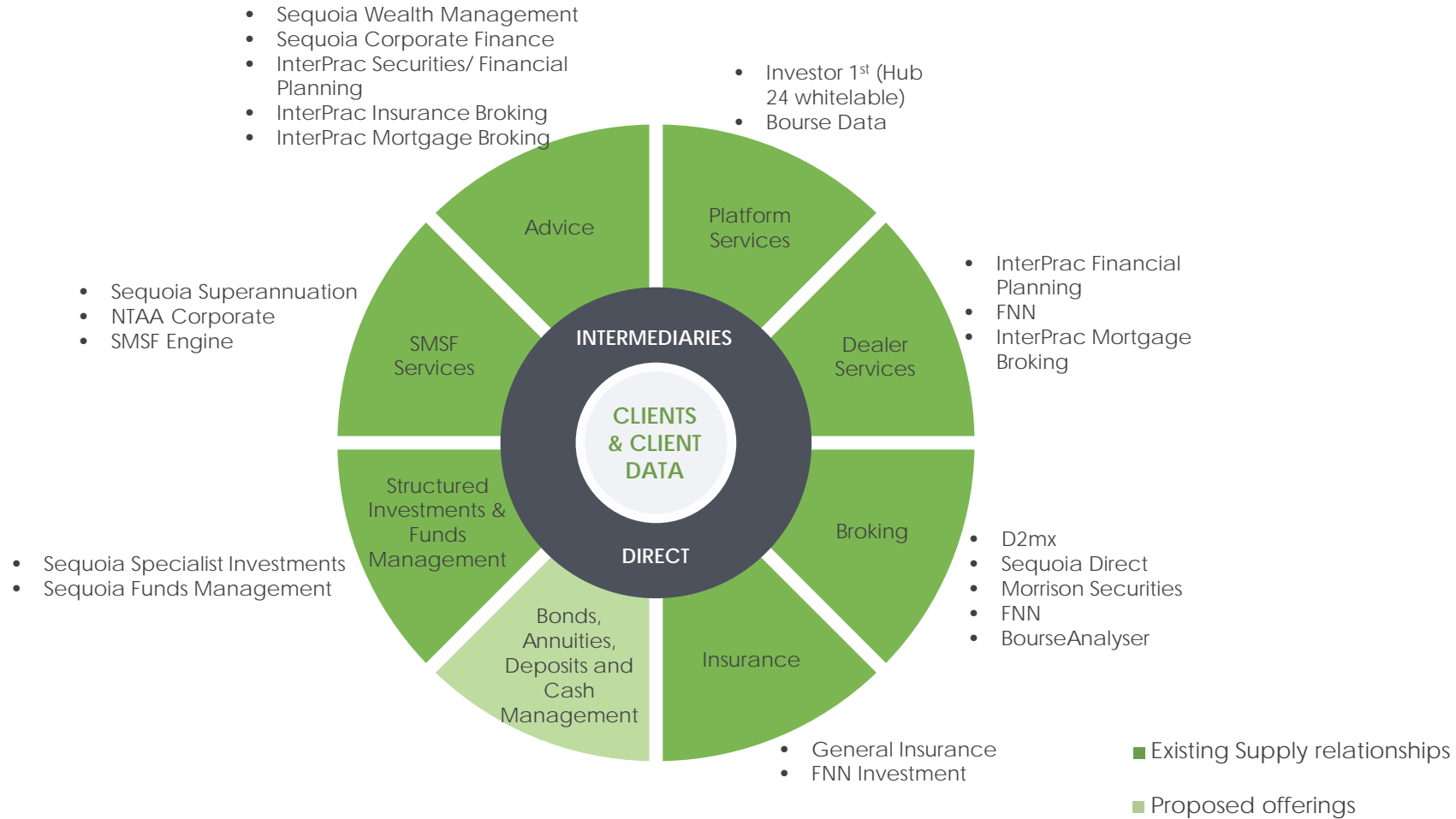
Key investment highlights

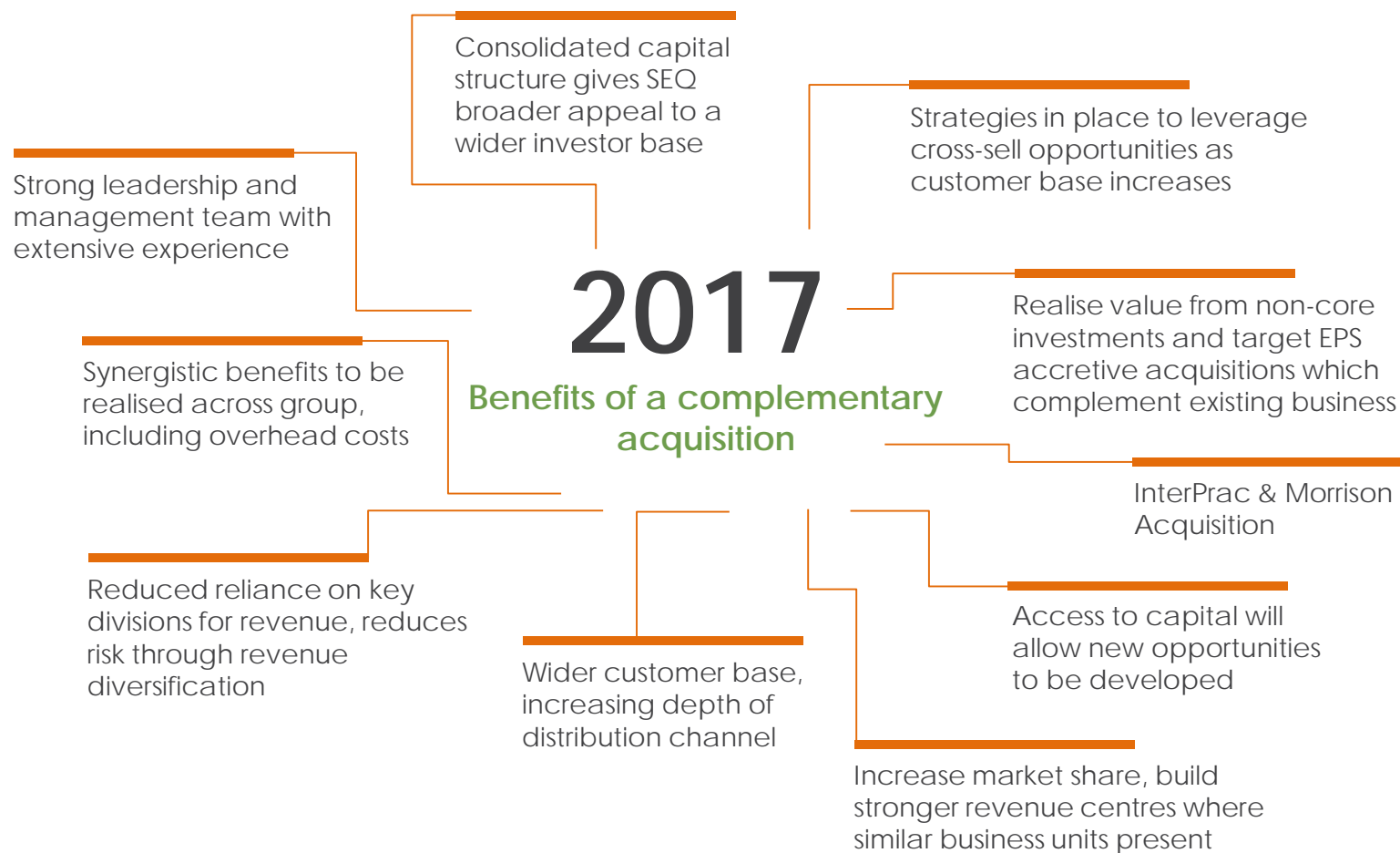




# Company Overview

## Introduction to Sequoia Financial Group Market Breakdown





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