

ASX AND MEDIA RELEASE

Thursday, 20 August 2020

SEQUOIA FINANCIAL GROUP ANNOUNCES FY20 RESULTS

FY2020 Highlights

- Significantly improved EBITDA of \$4.8m, up 341% vs. pcp of \$1.1m
- Accelerating 2H20 momentum, with EBITDA of \$3.4m
- Strong NPAT \$1.9m, up 293%
- Increasing operating margin of 5.71%, vs. pcp of 1.31%
- Return to shareholders dividend (0.4 cents per share)
- Dividend payout ratio guidance range of 20-50%
- Strengthened balance sheet, with \$14m net cash
- Australia's fourth largest nonaligned advisory platform, with >400 financial advisers
- Successfully completed the advisory integration of: Libertas, Yellow Brick Road, Philip Capital advisers, Total Cover Australia
- Morrison Securities monthly value of trading transactions increased by 300%

Overview

Sequoia Financial Group Limited (ASX: **SEQ**) (**Sequoia** or the **Company**) is pleased to release its FY20 full-year results. The Company is delighted to report that the 18-month business improvement process has resulted in much improved FY20 financial performance, despite what has been a very challenging operating environment.

The highlight was during FY20; the Group successfully integrated an additional four advisory businesses into Sequoia Wealth Group, making us the fourth largest non-aligned advisory business in Australia.

For further information please contact:

Garry Crole, Managing Director +61 411 600 550 garrycrole@sequoia.com.au
Hasaka Martin, Company Secretary +61 4 2468 5041

ABOUT SEQUOIA FINANCIAL GROUP LIMITED

Sequoia Financial Group (ASX: SEQ) is an integrated financial services company providing products and services to self-directed investors, AFSL holders and 3rd party professional firms. Its' businesses include: InterPrac Financial Planning, Morrison Securities, Sequoia Direct, Finance News Network, Bourse Data, SMSF Engine, Libertas, Sequoia Specialist Investments, Sequoia Superannuation and Sequoia Wealth Management

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 ASX Market Participants.

Registered Office:

Level 7
7 Macquarie Place
Sydney NSW 2000

Phone: +61 2 8114 2222

Fax: +61 2 8114 2200

Email: admin@sequoia.com.au

Website: www.sequoia.com.au

The Group achieved increasing EBITDA and NPAT, with momentum accelerating during 2H20, as the business benefitted from customer growth and benefitted from improved financial controls.

The Board believes the Group is now in a position to pay regular dividends and has commenced this process using the past dividend payout ratio guidance range of between 20-50%.

CEO Commentary

"We are very pleased to announce our profit results today. In possibly the most difficult year for business in more than half-a-century, we were able to grow our business, return to paying a dividend and report some much-improved Divisional results. We have further strengthened our Balance Sheet and are well positioned to deal with challenging market conditions, should they continue".

Outlook

Our longer-term objective is to become Australia's leading advice and financial licensee services group. The four key FY21 financial objectives are to:

- Generate >15% operational profit on the increased current equity base of \$33m.
- Increase revenue by more than 20% in Wealth, Professional Services and Equity Markets.
- Distribute annual dividends with our payout ratio target range between 25-40%.
- Improve on the current NPAT percentage margin of 2.3% of gross income

We thank our shareholders for their ongoing support and look forward to continuing to deliver strong results for all our stakeholders in 2021.

Further Information: Readers are referred to the Company's Consolidated Financial Statements and management presentation for additional information regarding the Group's performance.

-ENDS -

This announcement was approved by the Board of Directors.

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