

ASX AND MEDIA RELEASE

Thursday, 27 February 2025

SEQUOIA FINANCIAL GROUP – FIRST HALF FY25 FINANCIAL RESULTS

Sequoia Financial Group Limited (ASX: SEQ) (Sequoia or the Company) today released its first half Financial Results for FY25 (1HFY25).

1HFY25 Financial Performance (for continuing operations):

- Revenue \$60.6m, down 3.5% on previous corresponding period (PCP)
- NPAT \$3.6m, +136.8% on PCP
- Operating cashflow from continuing operations \$3.4m, +61.9% on PCP
- Interim dividend of 2.0 cents per share (PCP 2.0 cents per share) fully franked to be paid on 18 March 2025

While Operating Profit (normalized EBITDA) declined 14.6% to \$2.7m, down from \$3.2m in 1HFY24, pleasingly, Net Profit After Tax from continuing operations was \$3.6m, up 137% on the PCP.

Our operating revenue of \$60.6m was a slightly weaker performance than anticipated however this was due to several changes made by the Group within our Licensee and Adviser Services Division where we both closed and divested some businesses. Some of this reduction in revenue was offset by continued growth in our Legal and Administration Services Division.

As mentioned, throughout the period we divested two general insurance broking companies and two Media companies as part of our continuing drive to remove non-core operations. We also completely revamped and rebranded our media business and lowered our ongoing risk appetite within our specialist investment business to drive more consistent and predictable returns in these areas.

The recent restructuring into two Divisions has simplified our business model and driven significant cost efficiencies. This has meant incurring upfront restructuring costs and some unbudgeted rebranding expenses, however, overall we have reduced our ongoing headcount by more than 10%, which will save approximately \$1.5m annually in employment costs.

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

For further information please contact:

Garry Crole, Managing Director 03 9209 9777
Natalie Climo, Company Secretary 02 8016 2875

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 Licences.

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Our Legal and Administration Services Division has continued to emerge as a cornerstone group of businesses within our Group achieving operating profit growth of 70% over PCP to \$1.6m via a mix of organic and acquisitive initiatives and further margin improvement.

The impact of the many changes made to improve performance is also evident in the positive and significant improvement in operating cash flow across the period.

Our Board is committed to the regular distribution of fully franked dividends and is declaring an interim fully franked dividend of 2.0 cents per share, which equates to a payout ratio of 70%. This reflects the Group's strong balance sheet, high franking credit balance and confidence in delivering a stronger 2HFY25 operating profit.

In terms of ongoing capital management, it is the Board's intention to deliver a payout ratio of 40-60% over the next 2-3 years (assuming 'normal' business conditions) which is higher than the 20-50% ratios we flagged over previous periods. We believe our business will continue to grow profitably, particularly after we have implemented the various changes emanating from the current strategic review we are undertaking.

It is also worth noting throughout the period we were able to reduce our issued capital by 5% through an on-market buyback at an average price of 41.5 cents per share. (Note we will be reassessing our position on the current share buyback before it expires in May 25.)

Future Outlook

Looking ahead, the Board intends to strengthen the alignment between Operating Profit (and consequently earnings per share (EPS) from continuing operations) and dividend payouts. Sustainable growth in Operating Profit within our core businesses remains the key driver for our ability to drive future increases in dividends.

Our Group is well positioned to meet the rising demand for advice as more Australians focus on building and protecting their wealth for retirement. The scale and broad range of services available to accountants and financial advisers is anticipated to drive further growth, provide opportunities for industry consolidation and to deliver cost-effective advice to more Australians.

We are bullish about our future as we undergo significant but necessary changes to our business. We expect the remainder of FY25 to be strong as we start to realise the full value of recent changes within our businesses, and as we continue to execute on our key strategic initiatives. **-END-**

NB: Securities held by the top 20 investors as at 27 February 2025 is attached to this announcement.

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