

# Coffee Micro Caps

## Presentation

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31 October 2023

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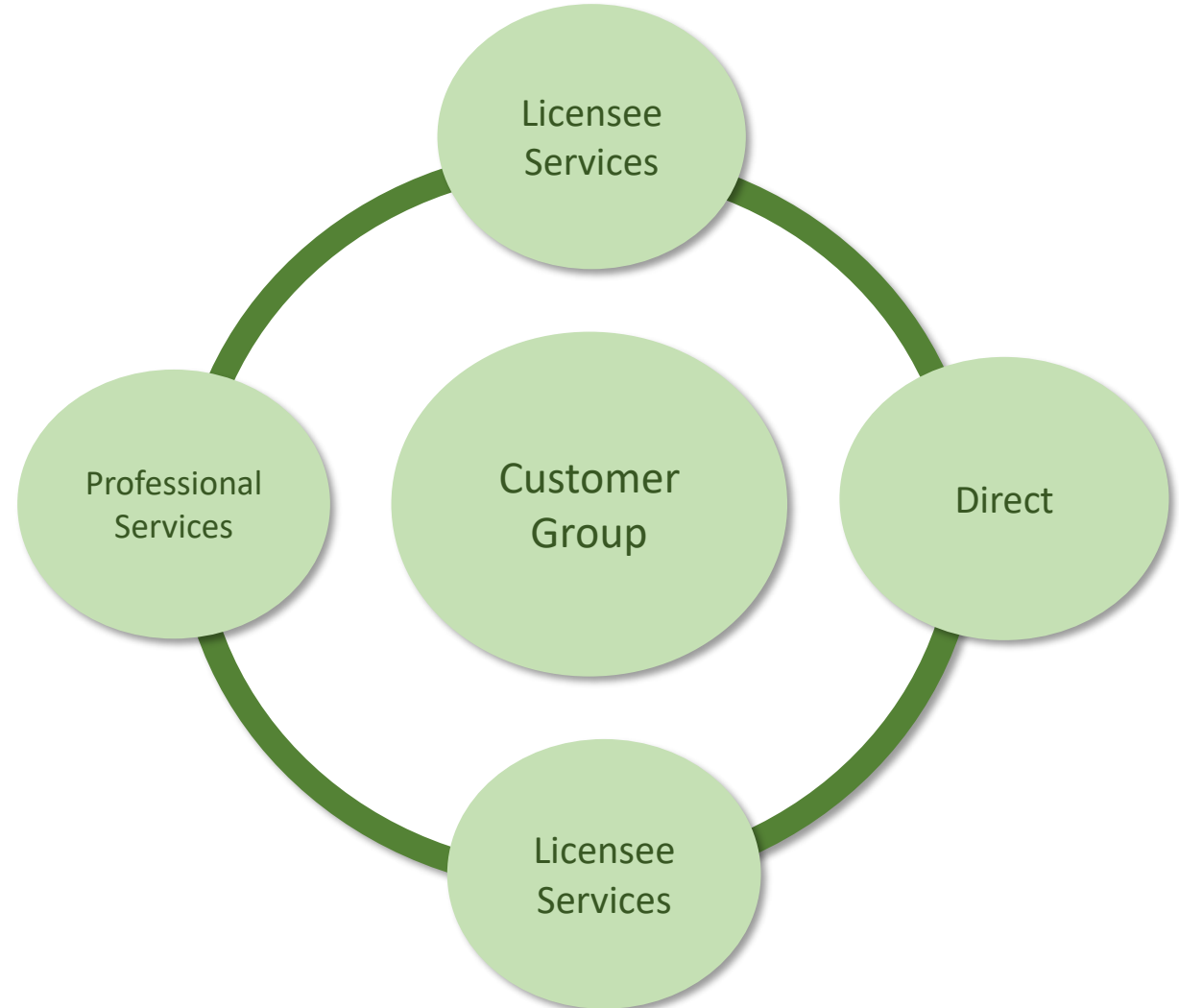
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Our mission is to provide premium services to financial advisers, and accountancy practises so they in turn can provide premium personal advice and services to their clientele without product or institutional bias .

# Customer Group

- Adviser
- Adviser Client
- AFSL holder
- Accountant Practice
- High net worth consumer
- Fund manager



# Key Customer Groups

## Licensees And Authorized Representatives

- There is approximately 1,200 AFSL's with 15,872 advisers listed on the financial advice registry.
- Approximately 16% of Australians or 3.2m consumers use a planner for personal advice this is an average of 200 clients per adviser with each advising on average advising on \$80 of FUM.
- According to recent surveys it is envisaged that 25% of Australians will engage with a planner in the next 2 years . Sequoia provides licensee services to more than 370 advisers with approximately \$7.5bn on platform and a further \$5bn off platform. Advisers' fees are repetitive and are growing at more than 25%per annum currently.

# Key Customer Groups

## Public Practicing Accountancy Firms And Tax Agents

- There is 34,396 businesses currently offering accounting services in Australia and approximately 13.5 million individuals lodging tax returns each year in Australia. There is 2.6m actively trading businesses in Australia and approximately 600,000 SMSF in Australia.
- More than 50% of these businesses and SMSF funds use the services of a publicly practicing accountancy firm and because of this Sequoia is well placed to increase its market share .

## Wholesale Investors

- According to the AFR 3.2m people or 1.1m households now satisfy the requirements to be deemed wholesale or sophisticated. This is equivalent to the entire sum of all Australian consumers who use the services of a financial adviser.

## Fund Managers/ ASX Companies

- According to ABS there was \$4,415 billion invested in Australian managed investments as of March 2023. The owners of these funds require access to advisers, accountants, wholesale investors, media, research and IR firms to capture a share of this marketplace.

# Sequoia Financial Group



## Wealth



## Professional Services



## Equity Markets



## Direct



# Financial Targets

## ( Short Term FY 2024 )

We have determined an implied valuation for each Business / Division that totals a current sum more than our market cap where each value is determined by reverse calculation of a 15% EBITDA return.

• Licensee Services	\$40m
• Professional Services	\$20m
• Equity markets	\$15m
• Direct	\$5m
• Total	\$80m @ 15% = \$12m
• Head office cost	\$2m
• Forecast EBITDA FY 2024	\$10m
• Cash at Bank	\$35m
• EV @ 50c per share	\$35m (3.5 times)

- Maintain dividend at 90-100% of operating profit after tax whilst maintaining a target cash balance of \$20m +.
- Utilize cash on balance sheet to acquire strategic EBITDA on 4-5 multiples of acquisition.
- Buy back when EV is below multiple of 4 that we can acquire growth at.

# Management Objectives

( Longer Term FY 2026 )

- Increase total Revenue to \$300m by year ending 2026 ( 25% pa growth )
- Aim for 8% of Revenue as EBITDA target on the basis Licensee Services represents much of the growth.
- Increase adviser numbers to 500
- Increase higher margin corporate advice market share and capability
- Increase higher margin in house general insurance broking and advice businesses by 100%
- Increase higher margin market share in professional services from to
- Increase third party distribution of aligned services
- Increase normalized dividends by 25% pa from 4c in FY 2023
- Aim to maintain cash balance whilst acquiring businesses

# Capital Structure

## Capital Structure

Shares on Issue	\$134 million
Current Share price	\$0.49
Market Cap	\$65 million
Cash at bank	\$35 million
Enterprise value	\$30 million
Forecast EBITDA	\$10 million
Dividend Last 12 months	\$0.04 ( fully franked )
Yield	8.1%



# QUESTIONS?

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