



hipages Group

(ASX:HPG)

Goldman Sachs 6th Annual Emerging Technology Conference
26 October 2022



Australia and New Zealand's largest online tradie marketplace and SaaS¹ provider, creating effortless solutions that help tradies streamline and grow their business and delight their customers.

FY22 highlights



Business model delivers resilience and growth



Significant strategic progress with transition to subscription model complete



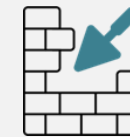
Continued investment in people and technology



Effective investment drives strong brand awareness



Efficient operating model delivers strong EBITDA margin and improved cash flow



Maintained strong balance sheet

FY22 financial highlights

Revenue

\$5.5m

MRR¹

Up 5%



\$58.2m

Recurring revenue² Up 11%



\$61.9m

Total revenue

Up 11%



Profitability

85%

Gross margin³
(FY21: 85%)



\$10.7m

EBITDA⁴
EBITDA margin 17%



\$(0.9)m

NPAT⁵



Key drivers

34.6k

Subscription tradies Up 11%



\$1,789

hipages ARPU⁶ Up 16%
(Up 11% to \$1,707 for hipages Group)



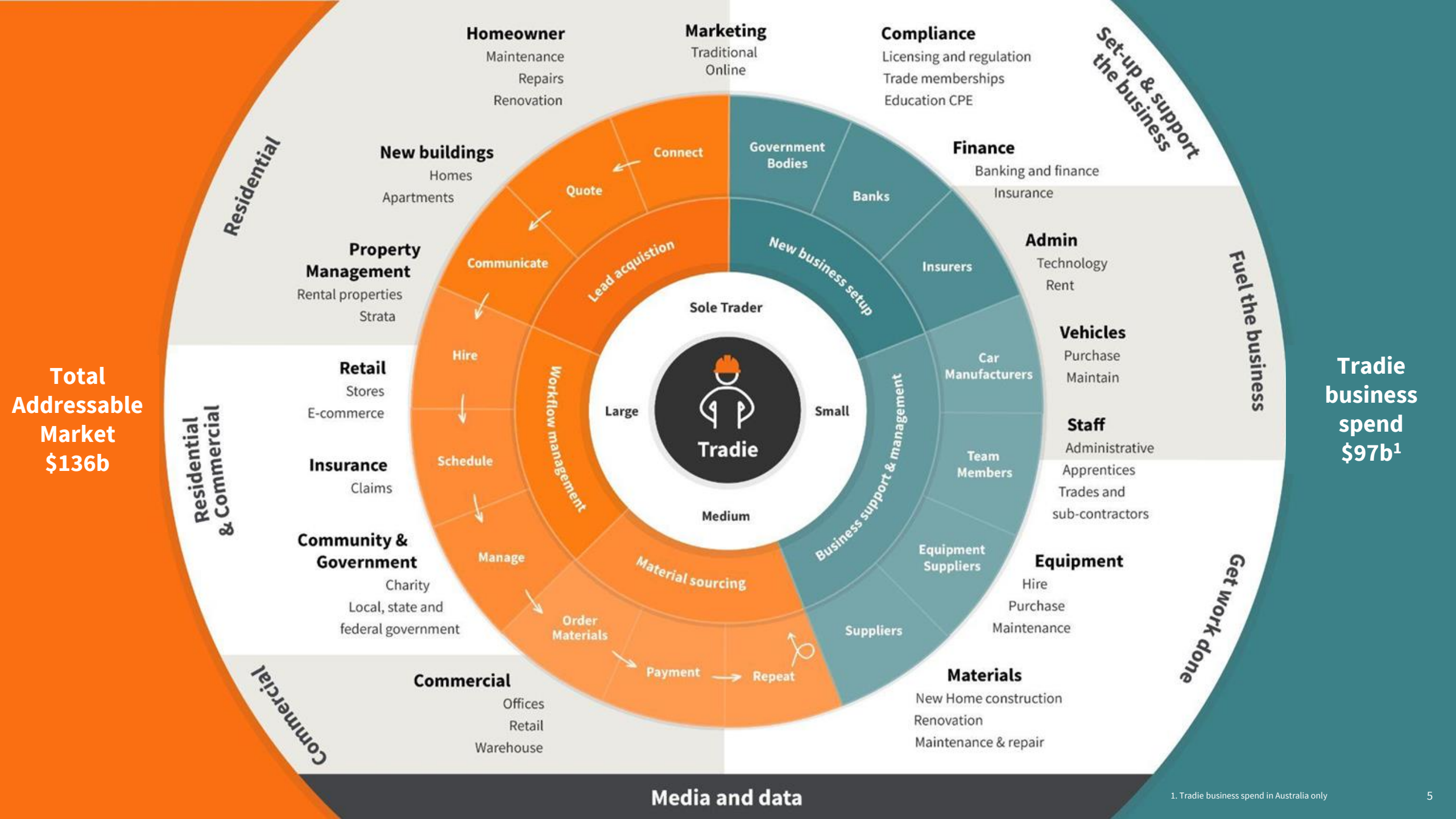
1.63m

Job volume
Up 6%



Strong balance sheet with closing cash and funds on deposit of \$13.2m and no debt

1. Monthly Recurring Revenue @ June 2022 (includes GST).
 2. FY22 revenue represents Statutory and Pro Forma revenue.
 3. Gross profit margin includes total revenue less cost of sales (consumer and tradie SEM spend and merchant fees).
 4. Pro Forma EBITDA before significant items.
 5. Pro Forma NPAT.
 6. Average Annual Revenue Per Unit (i.e. Tradie ARPU) is the annual operating revenue divided by the average of the opening and closing number of total hipages tradies and paying Builderscrack tradies for the period. hipages Group ARPU of \$1,707 is the blended result of hipages' ARPU of \$1,789 and Builderscrack's ARPU of \$883 for the 7 months post-completion.



1. Tradie business spend in Australia only

hipages 3.0 - the next evolution of our strategy

CORE	Consumer journeys	Delight consumers with tailored journeys to meet their needs
	Marketplace growth	Accelerate new tradie MRR growth by reimagining how tradies <i>discover & join</i> hipages
	Continuous tradie nurturing	Drive platform engagement via continuous tradie nurturing
	Lead claim experience	Improve the end-to-end experience for tradies and consumers to build trust and fulfil the promise to consumers
	Tradie profiles directory	Create authentic connections that are valuable to both sides of the marketplace
EXPANSION	Partnerships	Enable new & existing partners to efficiently integrate with the hipages ecosystem, delivering incremental revenue
ENABLERS	Tech uplift	Upgrade technology platforms, enabling product innovation, engineering efficiency and engineering at scale
	Business transformation	Deliver efficiencies for self-sustained growth
	Tradiecore	Create amazing technology to enable tradies to optimise their businesses
	Data	Leverage data to personalise our customer offering and enable data-driven decision making

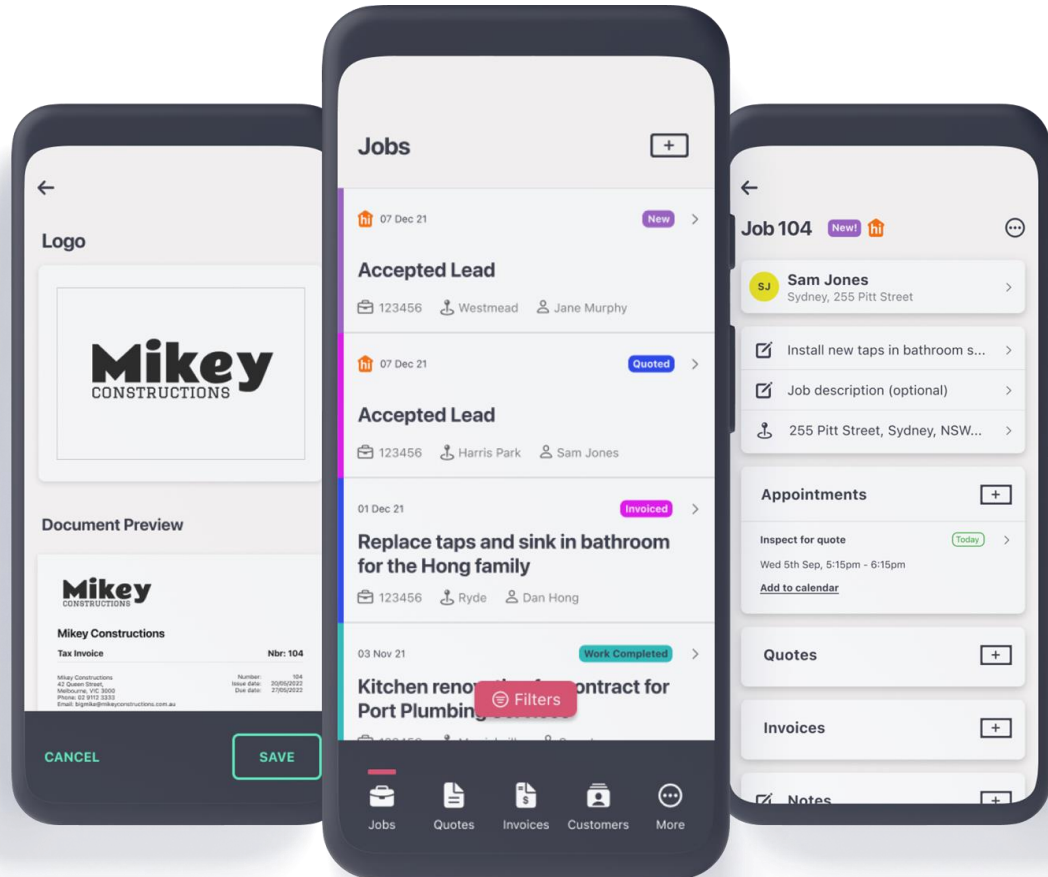
Capturing consumer intent

Bespoke consumer journeys to drive higher ARPU and lower churn

Higher intent to transact	Customer journey		Take rate
	Directory	Traditional directory of trade businesses to browse before undertaking a job	~0-2%
	Get quote	Consumer linked with up to three tradies (current hipages model)	~2-3%
	Double accept	Higher level of user curation to match higher consumer intent	~3-5%
	Fixed price	Jobs priced accurately using rich marketplace data	~10-15%

TRADIECORE

Enhancing the product to drive user adoption



New features delivered

- hipages lead integration
- CRM (click to call, text and email)
- Job scheduling
- Self-service options
- Personalised documents and job attachments

Strong user engagement

- Now live on iOS and Android
- Six-month free trial for all hipages subscribers
- Over 15,000 jobs created in FY22, 86% via hipages lead integration

Up next

- Payments solution available in H2 FY23
- More data enables better insights for tradie customers

Strong financial performance

- Strong EBITDA growth and cash flow

Emerging category leader

- Market-leading top-of-mind awareness among New Zealand homeowners

Investing for growth

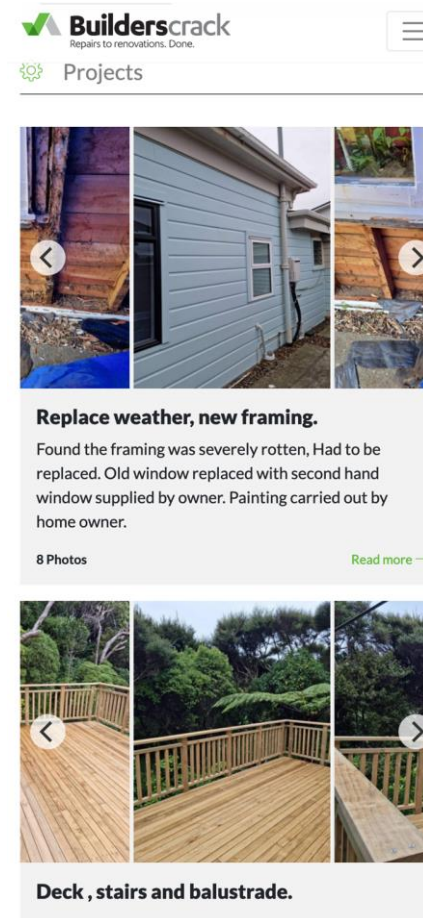
- Growing the team with key hires in marketing and sales to accelerate growth

New pricing model and product functionality

- Introduction of new tiered pricing model based on job value creates fairer outcomes and increases average yield per job
- New profiles functionality provides additional value for tradies


Supporting tradies during lockdowns

- Builderscrack provided support and free access to its premium subscription service




Builderscrack
Repairs to renovations. Done.

Projects

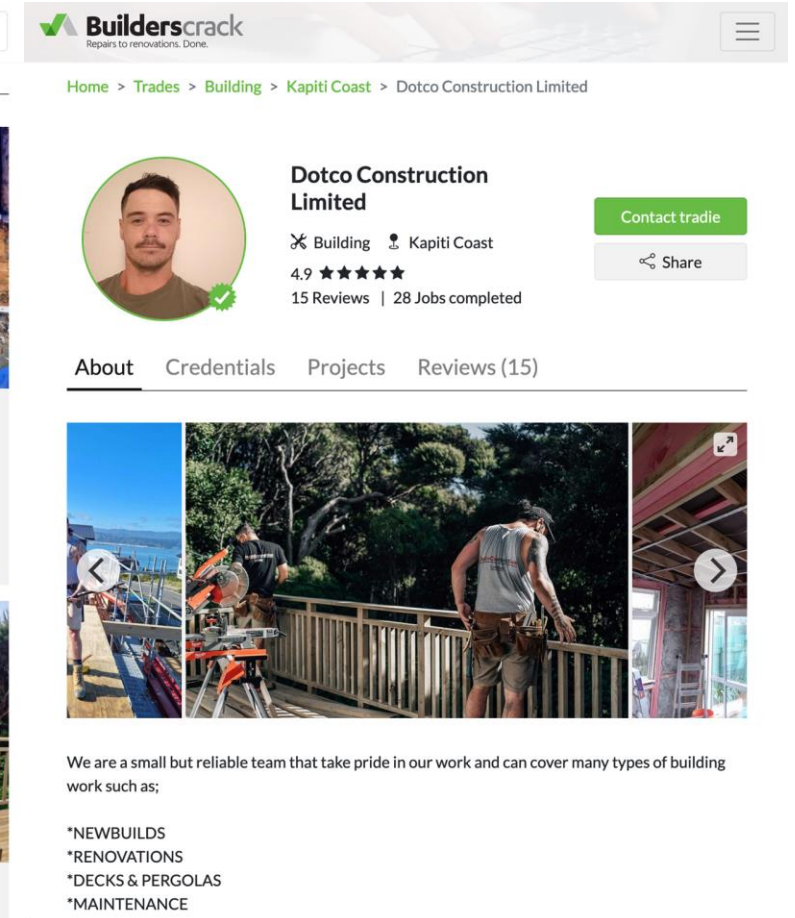


Replace weather, new framing.
Found the framing was severely rotten, Had to be replaced. Old window replaced with second hand window supplied by owner. Painting carried out by home owner.

8 Photos [Read more →](#)




Deck, stairs and balustrade.



Builderscrack
Repairs to renovations. Done.

Home > Trades > Building > Kapiti Coast > Dotco Construction Limited



Dotco Construction Limited


✂ Building 📍 Kapiti Coast

4.9 ★★★★★
15 Reviews | 28 Jobs completed

[Contact tradie](#)

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About Credentials Projects Reviews (15)



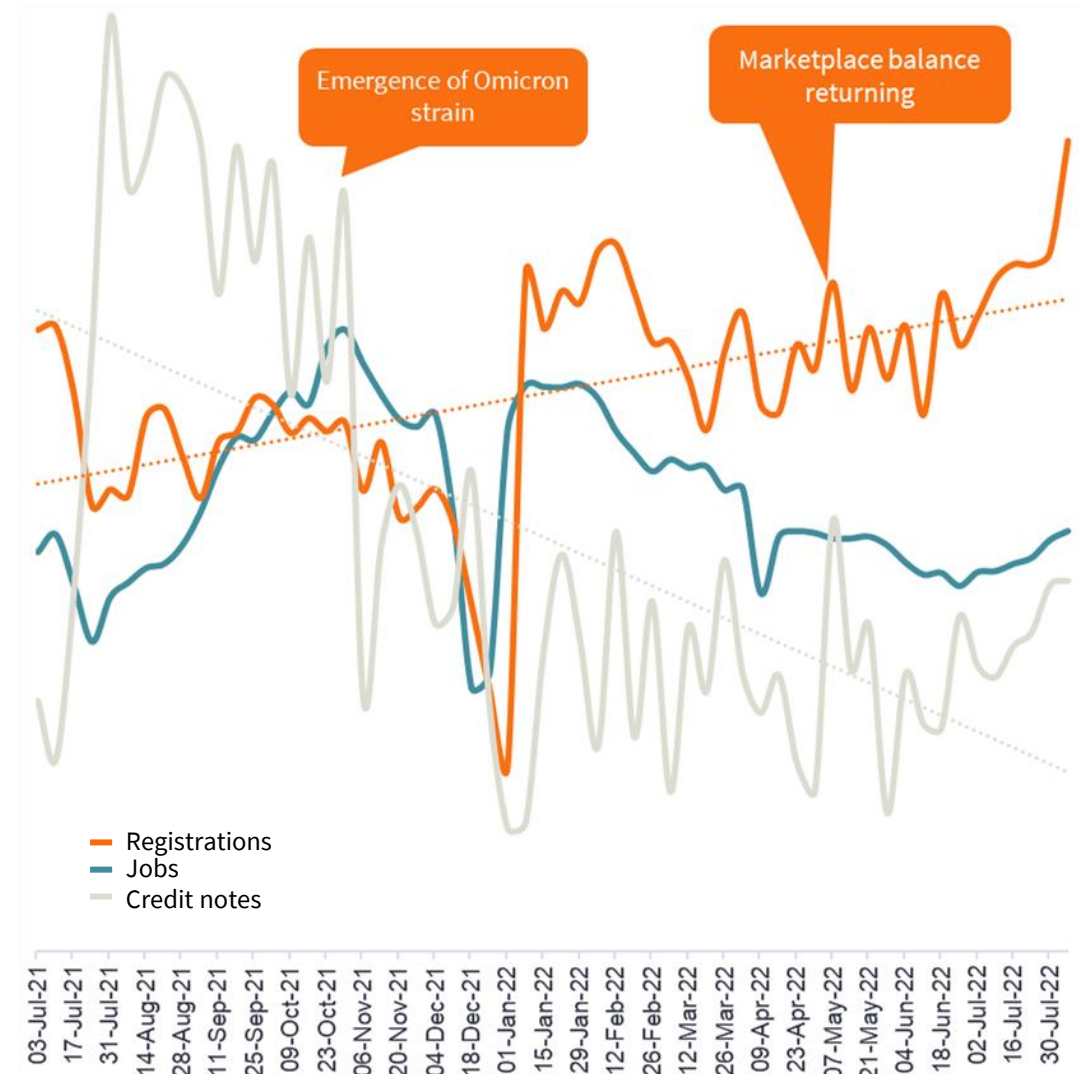
We are a small but reliable team that take pride in our work and can cover many types of building work such as;

- *NEWBUILDS
- *RENOVATIONS
- *DECKS & PERGOLAS
- *MAINTENANCE

FY23 outlook

- Exited Q4 with good momentum, with registrations improving and credit notes¹ normalising as marketplace balance returns
- Rising inflation and interest rates expected to further balance marketplace, driving growth due to countercyclical nature of business model
- H1 revenue growth rate to be similar to H2 FY22, reaching mid-teens in H2
- Churn to remain elevated above pre-COVID levels before normalising in H2
- EBITDA margin to be slightly ahead of FY22, with H1 impacted by timing of marketing expenditure
- Continue to invest in technology, with higher level of capitalised development spend to continue in FY23-24, before reducing in FY25
- Continued rollout of Tradiecore functionality and further strategic progress to build out ecosystem
- Clear path towards sustainable free cash generation while investing to execute growth strategy and maintaining a strong balance sheet

Marketplace activity



1. hipages issues credit notes to tradie subscribers as a retention tool in certain instances including where tradies may request to descend to a lower package due to being too busy.

Q&A



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