

# H1 FY25 Financial Results

20 February 2025

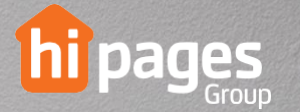
**ROBY SHARON-ZIPSER** | CEO & Co-Founder  
**JACO JONKER** | CFOO



## Agenda

- 1. H1 FY25 results overview**
- 2. Financial & operational update**
- 3. Strategic evolution & FY25 targets**

# H1 FY25 results overview



**ROBY SHARON-ZIPSER**

CEO & Co-Founder

# hipages Group at a glance (ASX: HPG)

★ ANZ's #1 platform to connect homeowners and tradies

Purpose:

*Transform the tradie industry,  
Building better lives for everyone*

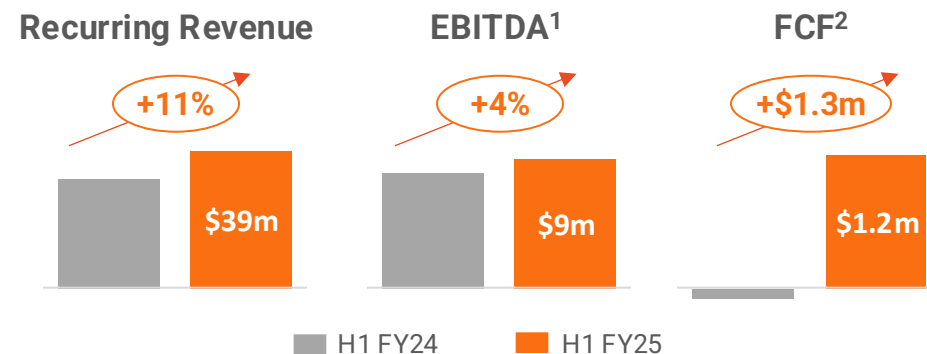
🔄 Strategic evolution from marketplace to SaaS platform



🎯 FY25 key strategic milestones

- ✓ Platform migration in AUS
- ✓ NZ shift to full subscription model
- ✓ ARPU growth in AUS and NZ reflecting our enhanced value proposition

📈 H1 FY25 performance



<sup>1</sup> EBITDA (Earnings before interest, tax, depreciation and amortisation) before significant items

<sup>2</sup> FCF (Free Cash Flow) = Operating cash flow less lease repayment, less payments for intangible assets and property, plant & equipment (PPE)

# Continued momentum in H1

- Strategic evolution from marketplace to platform progressing to plan:

- Completed migration of all tradies to STP<sup>1</sup>
- Ongoing migration to new price plans<sup>2</sup>

- Enhanced platform value underpinning future growth:

**+11%**  
Recurring Revenue

**+9%**  
ARPU

- Positive free cash flow:

**FCF: \$1.2m**  
Up from (\$0.1) million in pcp<sup>3</sup>

- Strong balance sheet liquidity - no debt:

**\$22.5m cash balance**  
Including funds on deposit

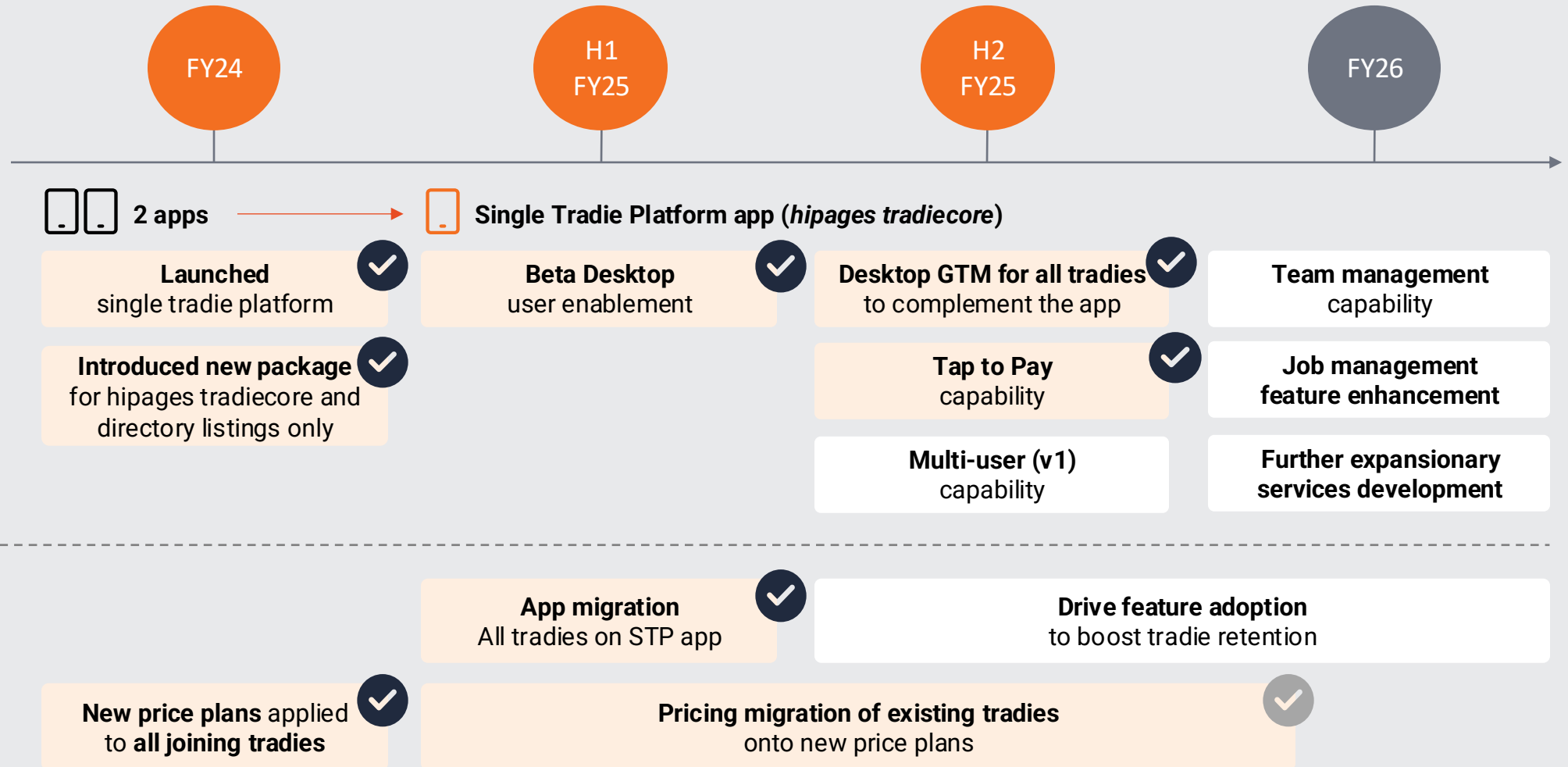
<sup>1</sup> STP: single tradie platform, i.e. product combining lead services and job management features into a single app - released in April 2024

<sup>2</sup> All new tradies join on new price plans; existing tradies on the old price tiers progressively moved onto the new subscription pricing as their contract come up for renewal in CY25

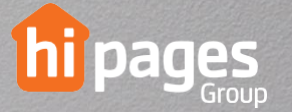
<sup>3</sup> Pcp: Previous corresponding period

# All Australian customers successfully migrated to single tradie platform

STP roadmap



# H1 FY25 financial & operational update



**JACO JONKER**  
CFOO

# H1 FY25 Group financial highlights



<b>Revenue</b>	<b>\$6.8m</b> MRR excl. GST Up 14%	<b>\$39.2m</b> Recurring revenue Up 11%	<b>\$40.6m</b> Total revenue Up 9% Operating revenue +10%
<b>Profitability</b>	<b>\$8.7m</b> EBITDA <sup>1</sup> EBITDA Margin 21% (↓ 1 ppt)	<b>\$0.1m</b> NPAT <sup>1</sup> H1 FY24: \$0.3m	<b>\$1.2m</b> Free cash flow H1 FY24: (\$0.1m)
<b>Key drivers</b>	<b>34.9k</b> Subscription tradies Down 1% <sup>2</sup> Australia +1% to 32.3k	<b>\$2,267</b> ARPU Up 9% Australia +8% to \$2,374	<b>1.4m</b> Tradie-Homeowner connections Up 4% pcp

**Closing cash and funds on deposit of \$22.5m - No Debt**

<sup>1</sup> EBITDA and NPAT (Net profit after tax) before significant items. H1 FY24 Statutory NPAT of \$3.6m included a one-off profit on disposal of equity interest in an associate and a reversal of deferred consideration relating to the acquisition of a subsidiary (Builderscrack)

<sup>2</sup> Total tradie numbers negatively skewed by hipages New Zealand's shift to a full subscription model

All comparisons are against the pcp unless otherwise stated

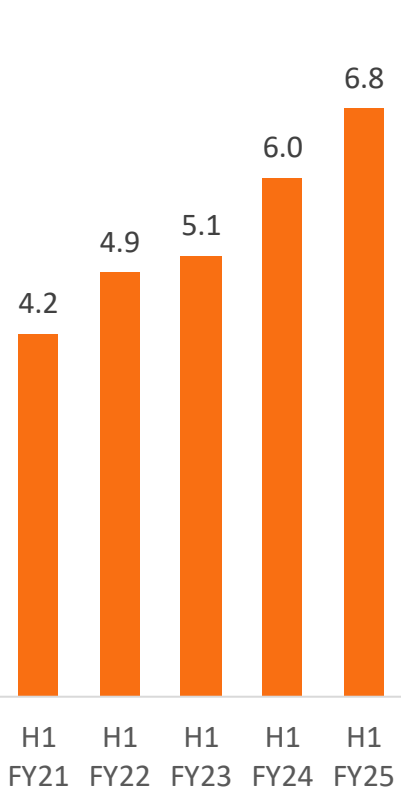
See glossary at the end of this presentation for definitions



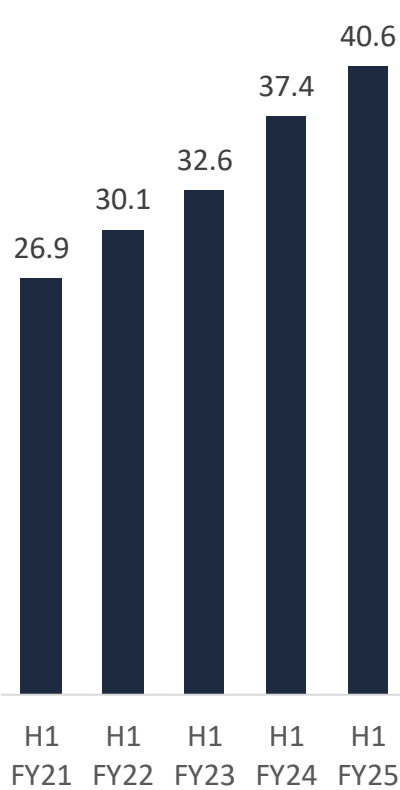
# Delivering sustainable growth



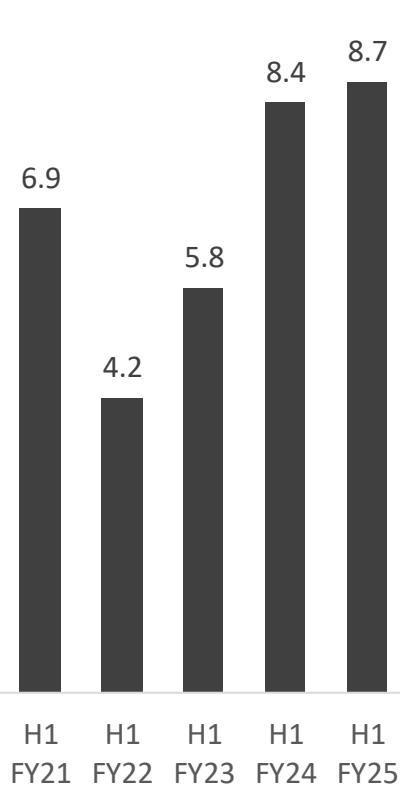
**MRR** excl. GST \$m



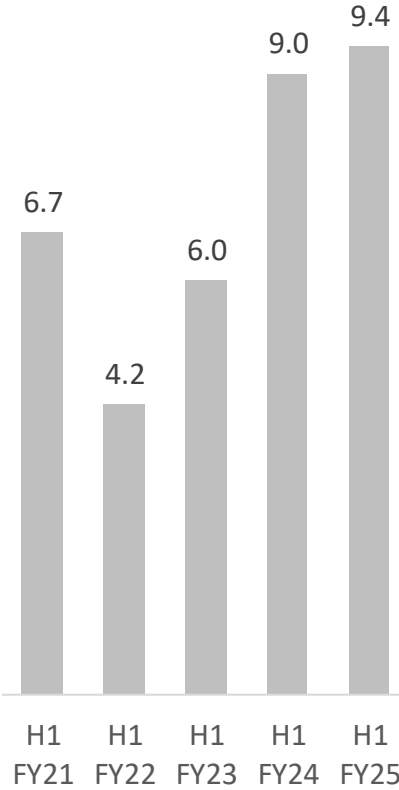
**Total Revenue** \$m



**EBITDA** \$m



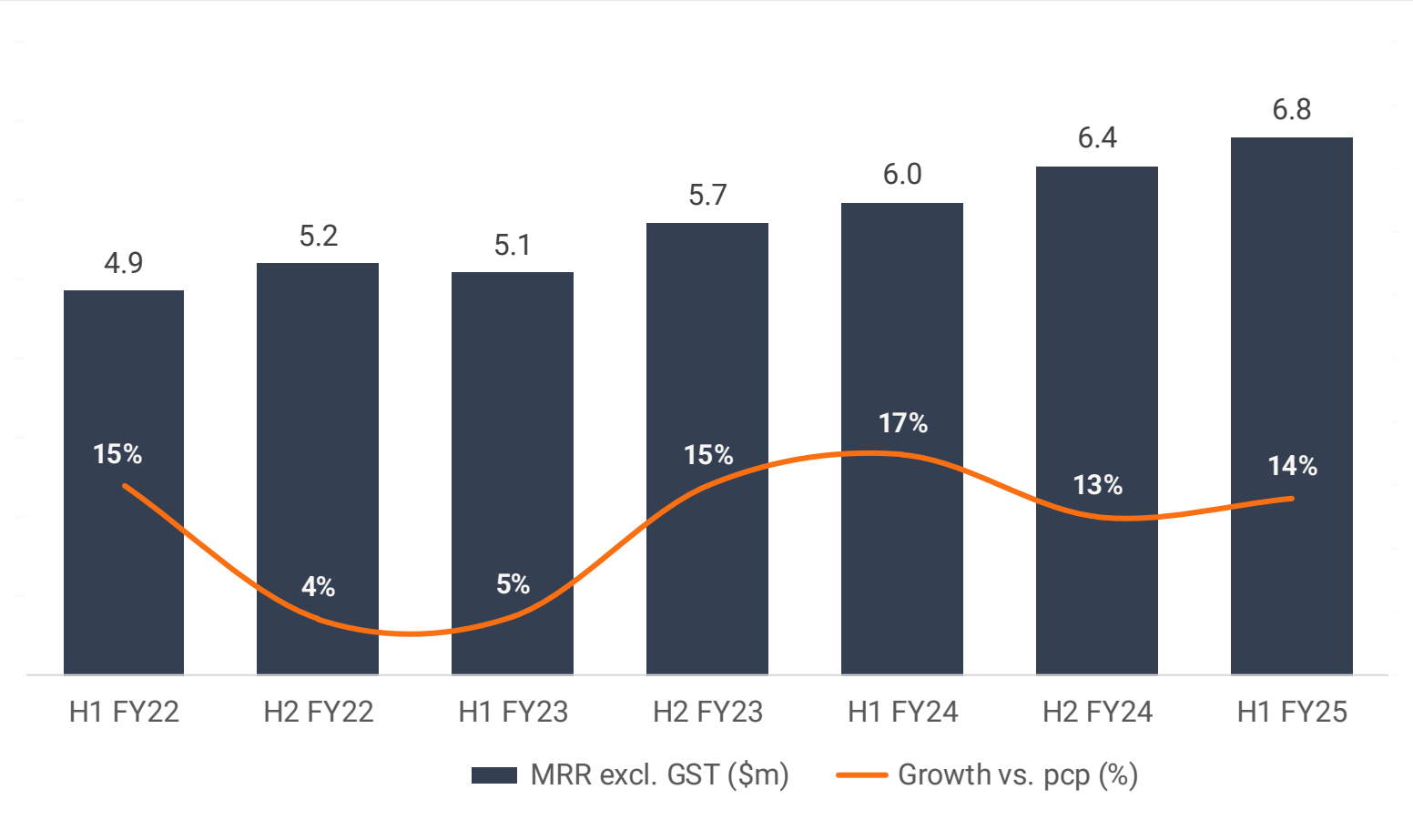
**Operating Cash Flow** \$m



# Strong marketplace activity driving double-digit MRR growth



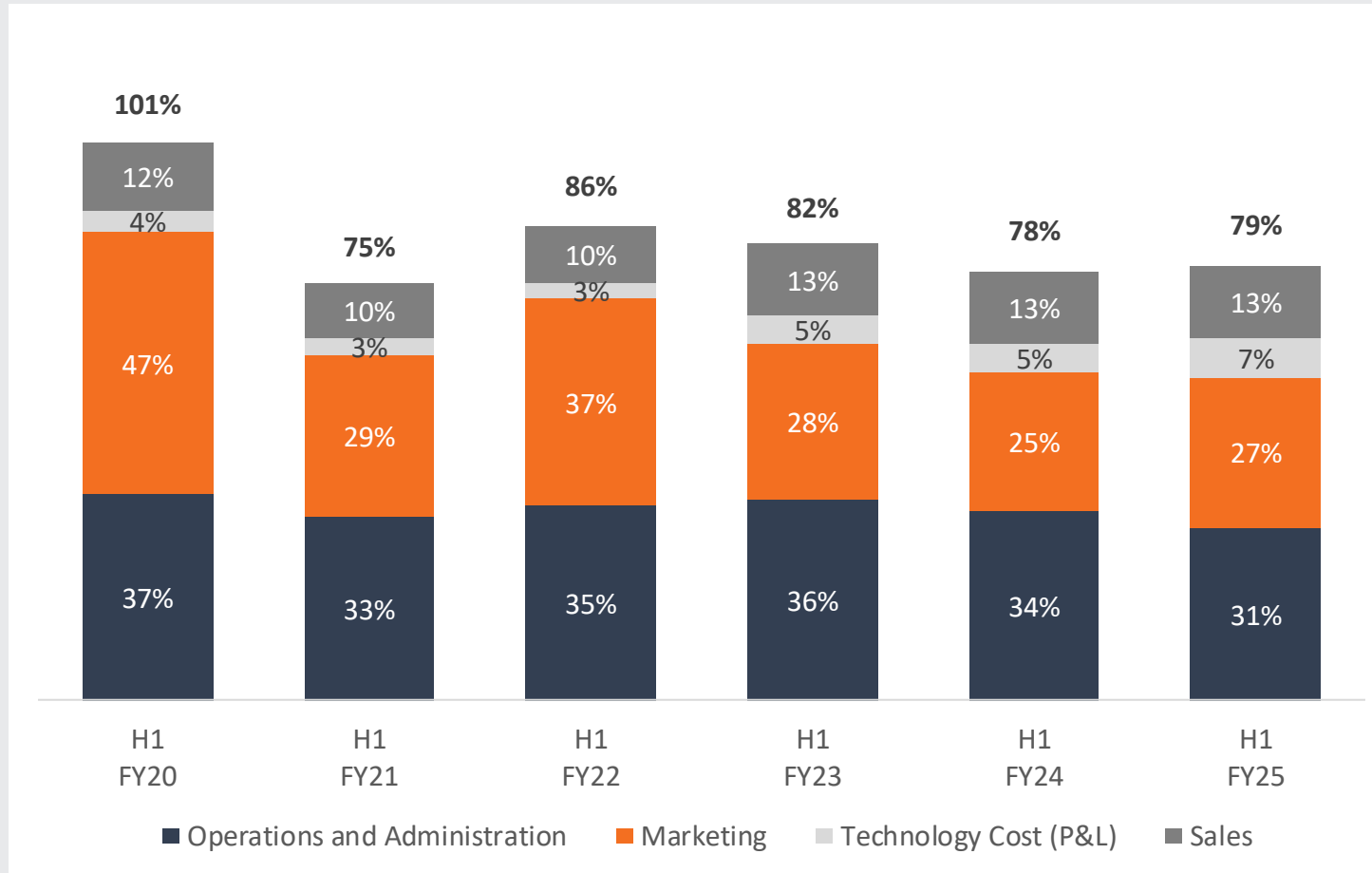
hipages Group MRR (excl. GST)



- Record new business yields driven by roll-out of higher value STP proposition
- Further opportunity ahead, with 58% of customers on legacy pricing at end H1 to be migrated to new higher plans by October 2025
- Existing customers ascending to higher price points due to:
  - **Dynamic pricing** of job leads based on supply/demand dynamics driving ascensions to higher price tiers
  - **Strong marketplace activity**, with high supply and demand driving near-record connections

# Operating leverage offsets increased H1 marketing investment

Group operating expenses<sup>1</sup> as % of total revenue



## Marketing

- Planned additional in marketing spend in H1 driven by:
  - Development of new creative assets to support brand marketing initiatives beyond FY25
  - Strategic inclusion of Tradie focused brand marketing in combination with targeting homeowner segment during H1
- Marketing investment to reduce in H2

## Sales<sup>2</sup>

- Sales employment costs +12% with vacancies filled and new roles established in Manilla operations

## Operations and Administration

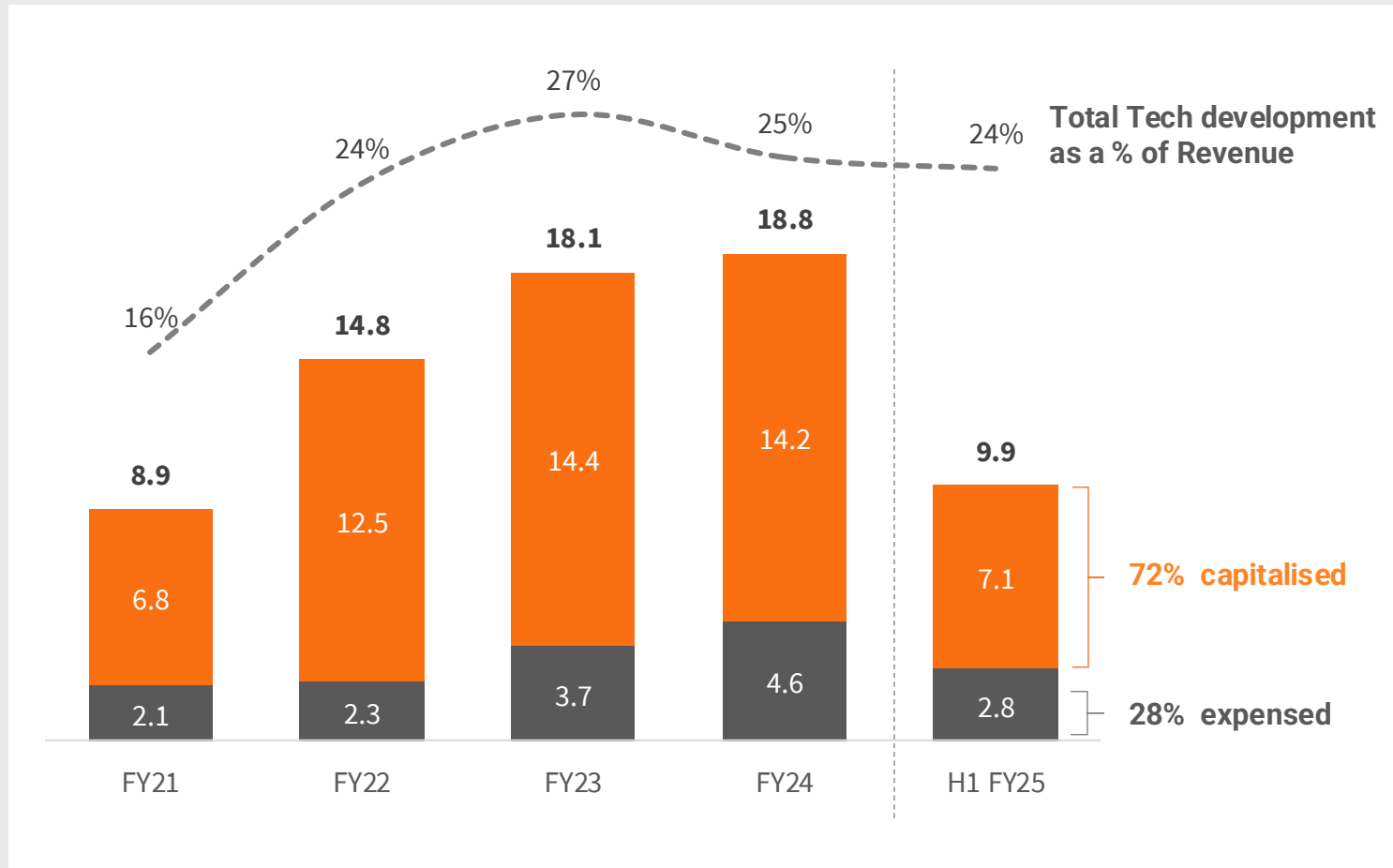
- Disciplined cost management and operating leverage offsetting increased subscription and licence costs

<sup>1</sup> Operating expenses after capitalisation of Technology & software development spend. Before capitalisation, total Technology spend was 24% of revenue in H1 FY25 (in line with H1 FY24)

<sup>2</sup> Sales related costs previously captured in Operations and admin during FY20H1FY24 were re-allocated to Sales to conform with current year presentation

# Disciplined investment in platform continues

Group spend in Technology development<sup>1</sup> (in \$m)



## Technology spend continues to reduce as % of revenue

- Continued development of tradie platform alongside marketplace optimisation
- Disciplined capitalisation approach with detailed activity-based tracking (development vs. maintenance), amortised over 3 years
- Previous step-up in tech development spend delivered successful transition to subscription model (FY20-FY22) and improved matching engine and lead pricing optimisation (FY23)
- FY25 tech development spend as % of revenue expected to be in line with H1

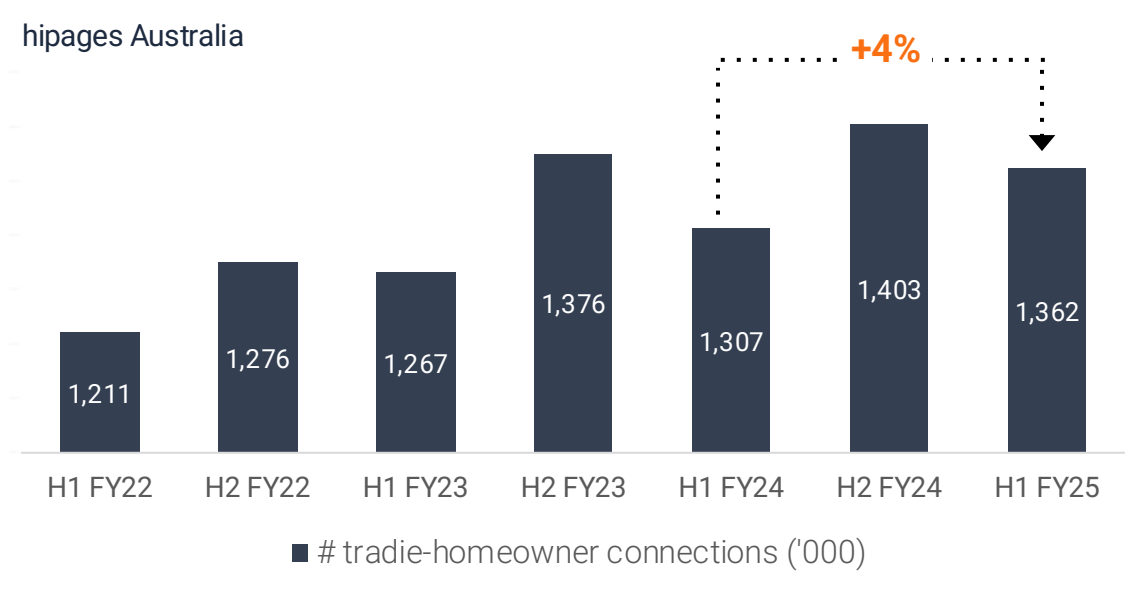
<sup>1</sup> Technology and software development spend based on profit and loss reporting (accrual based), not reflecting actual timing of cash flows

# Australian Operations



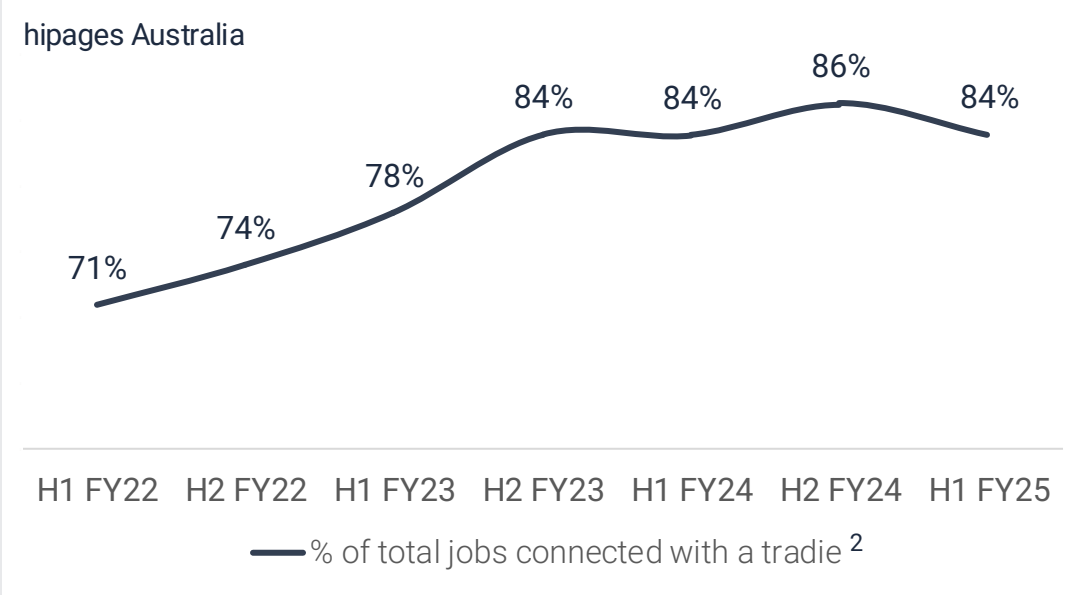
# Strong marketplace dynamics driving exceptional experience

Connection<sup>1</sup> volume growth reflects strong supply and demand



- More connections result in tradies consuming subscription credit faster, triggering upgrades to higher tier packages
- H1 seasonally lower than H2 due to Christmas holiday period

Exceptional homeowner experience continues with near-record % of jobs connected with tradies

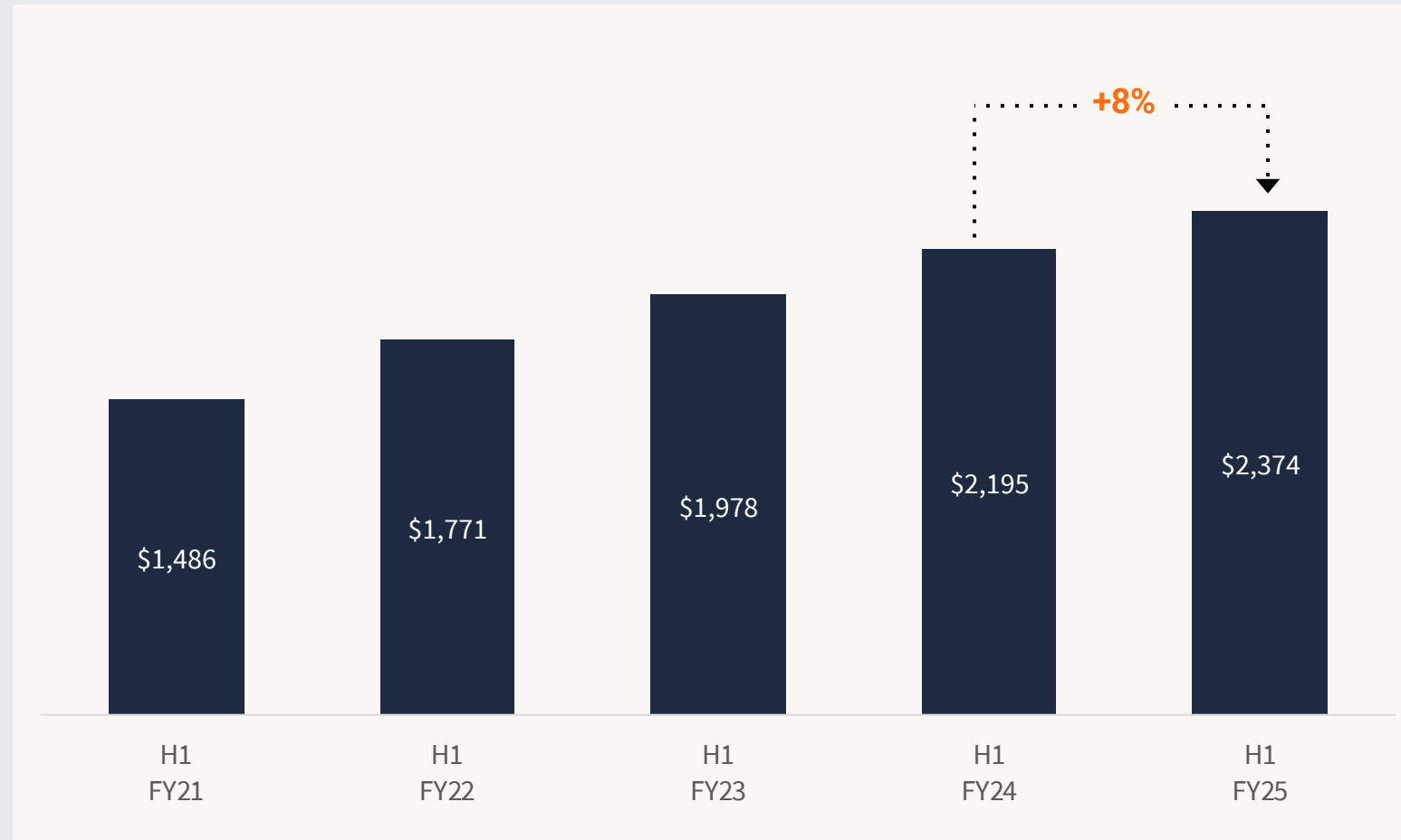


- High connection rate supported by continued improvements to matching engine and targeted SEO/SEM investment
- Challenging economic conditions continue to highlight value of marketplace for tradies

<sup>1</sup> Connections occur when a tradie claims a job, triggering usage of their lead credits included in their subscription  
<sup>2</sup> Connection rate defined as # jobs with at least 1 tradie-homeowner connection as a % of total # jobs posted on hipages Australia

# ARPU growth reflecting enhanced value proposition

## hipages Australia ARPU (\$)



### Key drivers of ARPU growth:

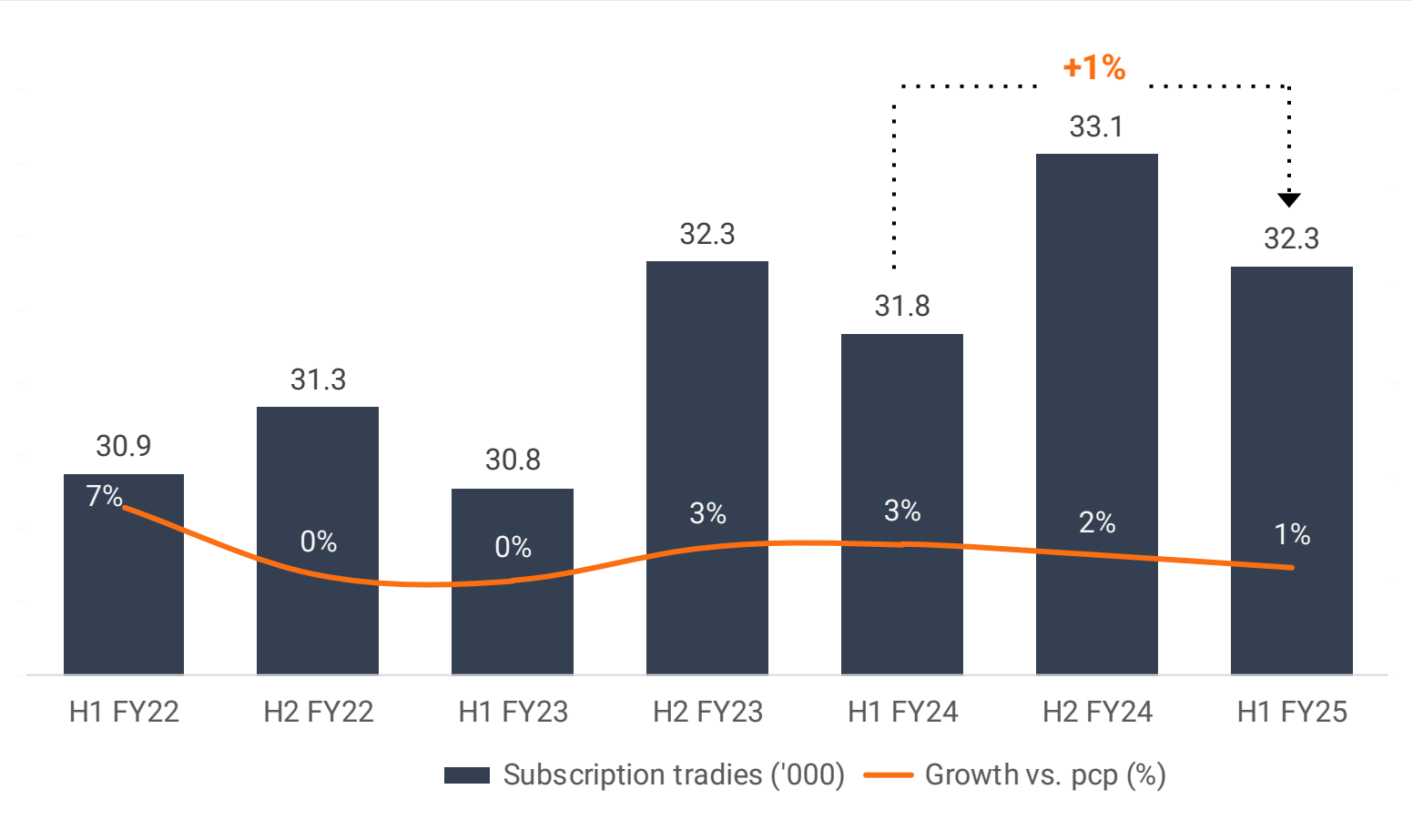
- New customers joining STP at higher price points
- Existing customers on legacy plans migrating to higher plans when contracts renew (to complete by October 2025)
- Continued optimisation of job lead prices driving increased credit usage, driving ascensions and lead pack purchases<sup>1</sup>

<sup>1</sup> 'Lead Packs' are a transactional product offering tradies extra credit on a one-off basis, as an alternative to ascending to a higher price point (subscription product with 12 months commitment)

# Continued subscription tradie growth



hipages Australia subscription tradies ('000)

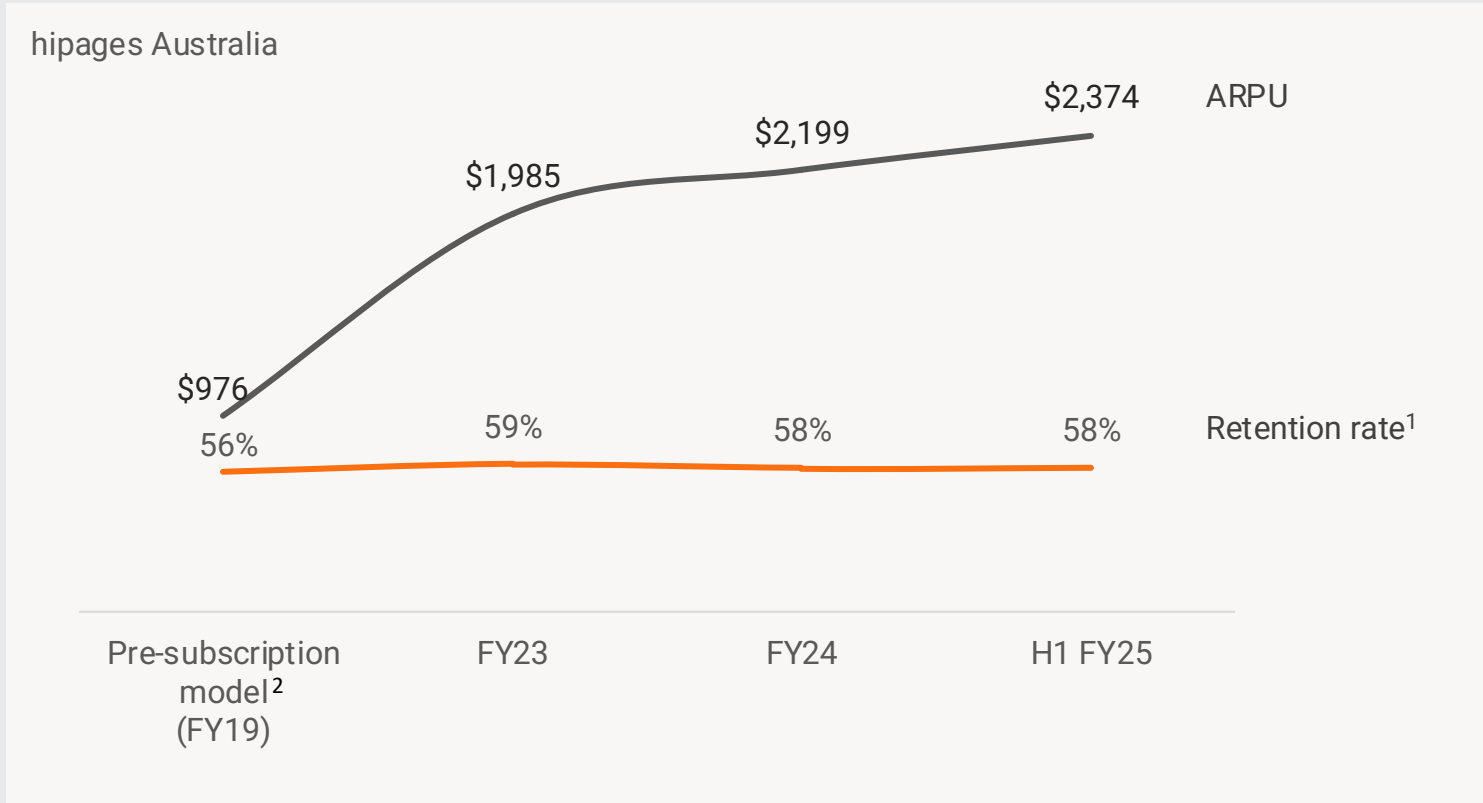


- Continued growth in subscription tradies vs pcp while increasing subscription prices and migrating to STP
- Typical H1/H2 seasonality reflects cancellations during Christmas holiday period
- Further growth to be driven by improved retention and conversion as STP adoption increases



# Retention rate stable over time, with early positive signs from STP users

hipages Australia MRR retention rate<sup>1</sup> and ARPU

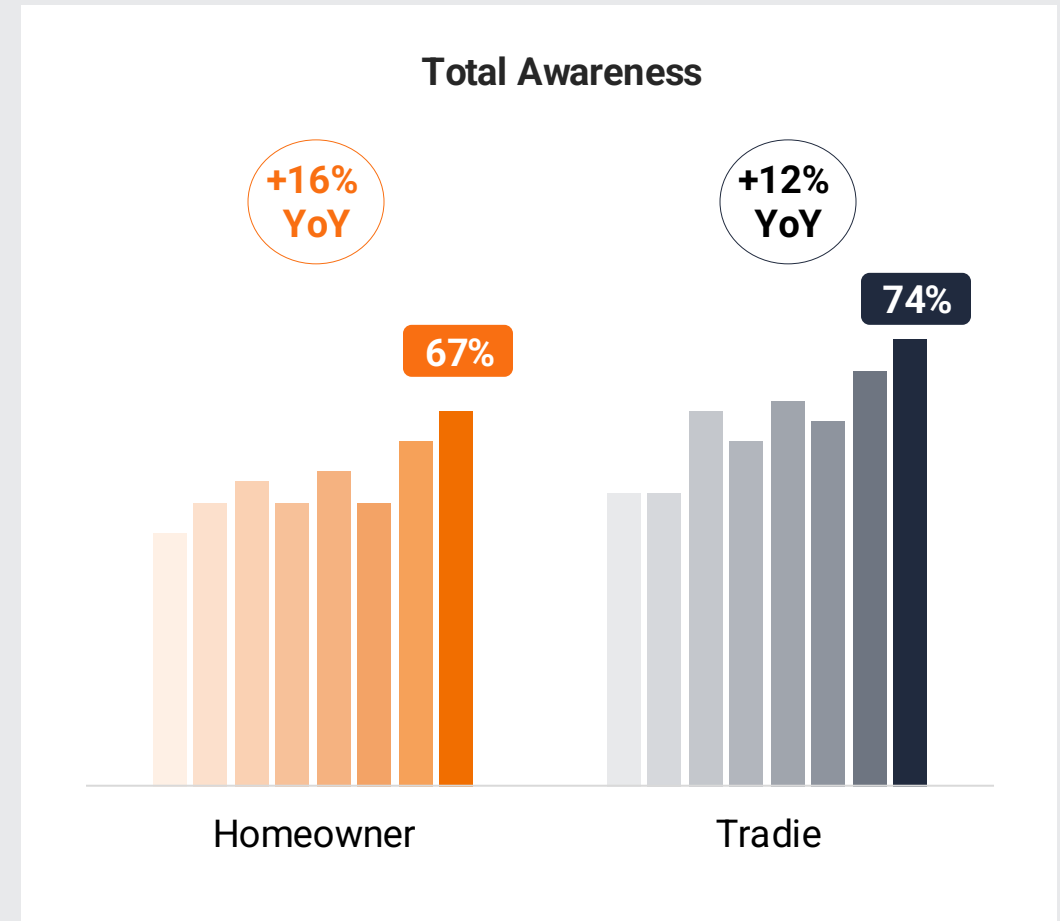


- MRR retention is stable while delivering continued ARPU growth after:
  - Tradiecore app migration (over 32,000 tradies)
  - Subscription price increases (new packages)
  - Dynamic lead price increases
- Positive signs of higher retention on first contract renewal from early STP user cohorts
- Key focus area remains increasing adoption of job management features to drive further retention benefits

<sup>1</sup> Last 12-months MRR Retention rate (in %) for hipages Australia  
<sup>2</sup> hipages FY19 customer base: 40% transactional/60% subscription

# Record awareness from multi-channel 'always-on' brand investment

- **New brand platform** 'Start with hipages' developed for both tradie and homeowner audiences
- **Investment in new creative<sup>1</sup> assets in H1**, and brand marketing investment across both sides of the marketplace (H1 historically homeowner focused)
- **Optimised sponsorship of The Block** on Channel 9, delivering +80%<sup>2</sup> minutes of branded airtime to Australian homeowners
- **Multi-channel** media approach targeting tradies across TV, BVOD<sup>3</sup>, YouTube, radio, Spotify and social media
- Complementary **SEM/SEO<sup>4</sup> investment** maintaining marketplace balance



Source: Thrive Insights, December 2024

<sup>1</sup> Investment in new creative occurs approximately every 2 years

<sup>2</sup> vs 2024 sponsorship

<sup>3</sup> BVOD: TV via on-demand applications

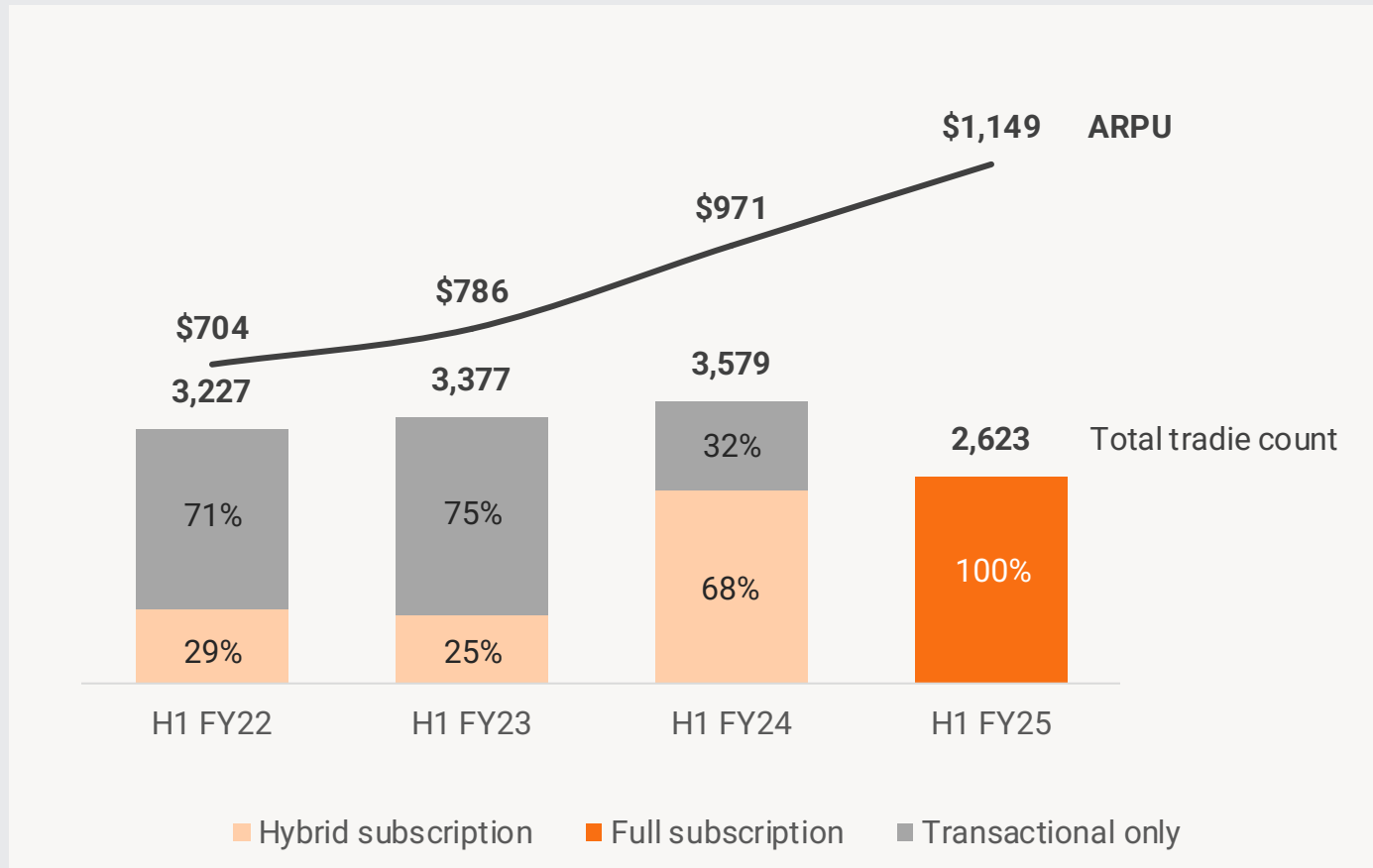
<sup>4</sup> SEM: Search engine marketing – SEO: Search engine optimisation

# New Zealand Operations



# Transition to full subscription model driving ARPU growth

hipages NZ (Builderscrack) tradie count by product, and ARPU<sup>1</sup>

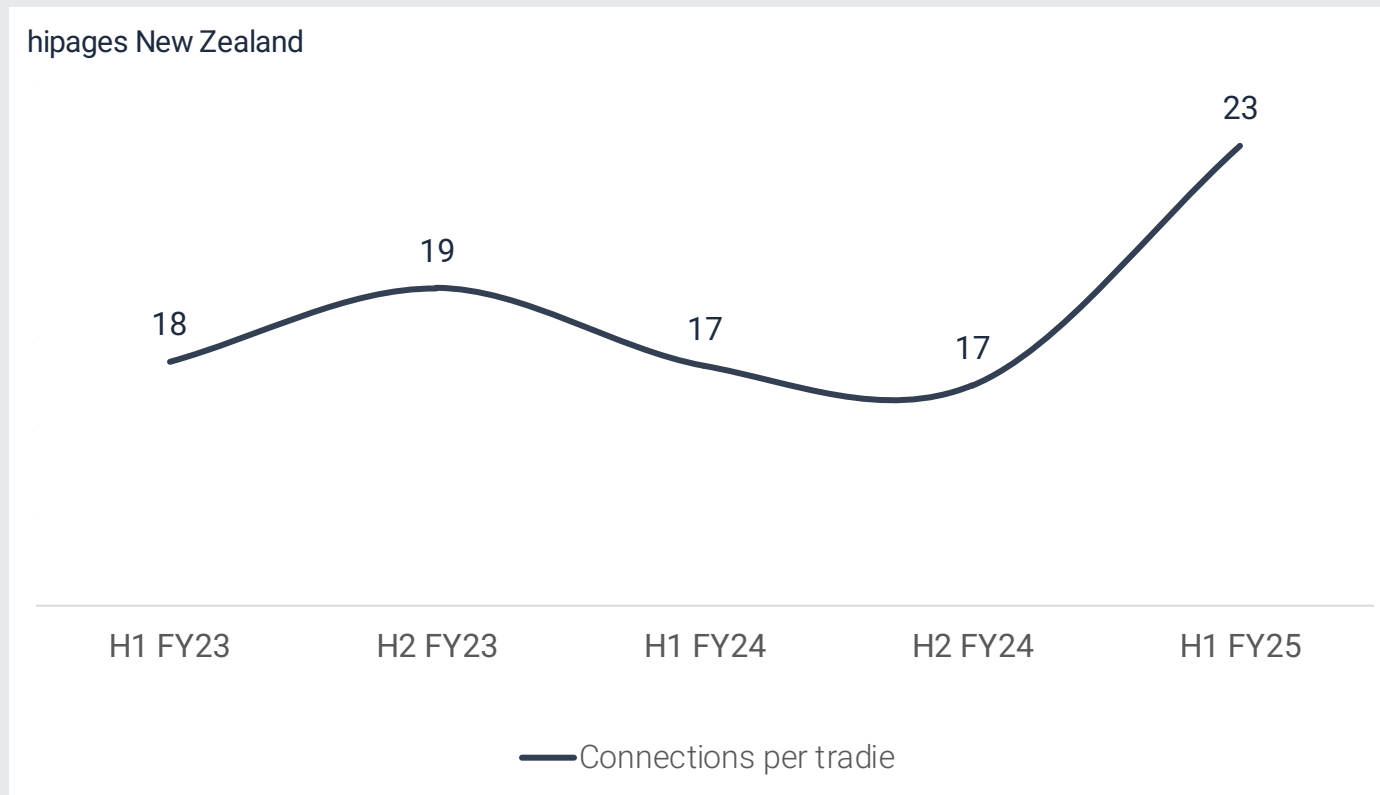


- Migration of all customers to full subscription model in H1 at higher price points, with longer average contract length
  - Prior subscription product was hybrid (still partly commission based) and low commitment (3 months)
- Attrition was expected on transition following experience of Australian business, which moved to a subscription product in FY20-22
- Further ARPU growth expected in H2, as we leverage our experience in Australia to unlock significant upside opportunity

<sup>1</sup>ARPU shown in Australian Dollars

# Full subscription model provides a strong platform to deliver enhanced value for tradies and consumers

hipages NZ (Builderscrack) # Connections per tradie



- Subscription tradies are more active, contributing to greater value exchange and ARPU growth
- Higher engagement results into more consumer connections, delivering a quality experience to both sides of the marketplace
- Higher activity level also translates into greater propensity to ascend to higher price points

# Strategic evolution & FY25 targets



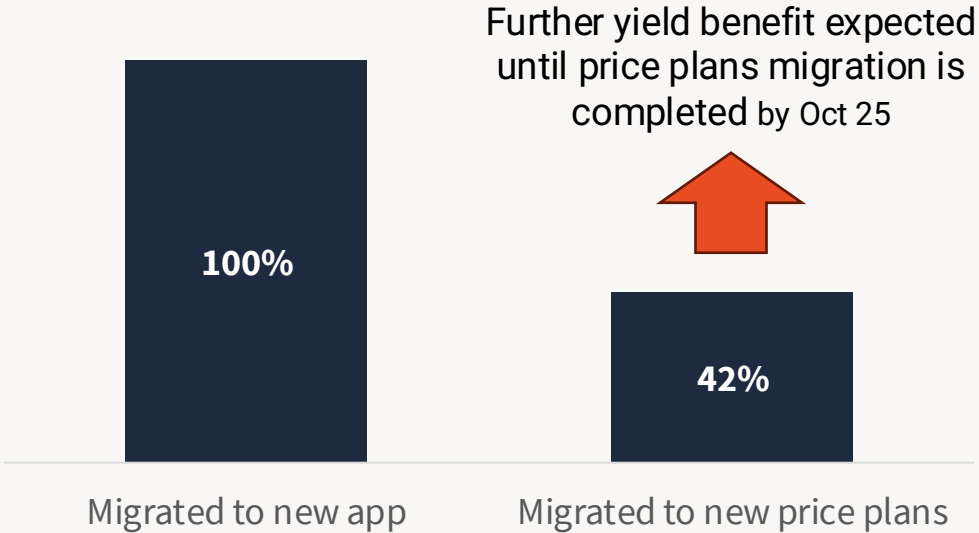
**ROBY SHARON-ZIPSER**  
CEO & Co-Founder

# Ongoing migration enabling further ARPU and retention growth



Further ARPU growth to come, supported by the continued price migration of all tradie accounts

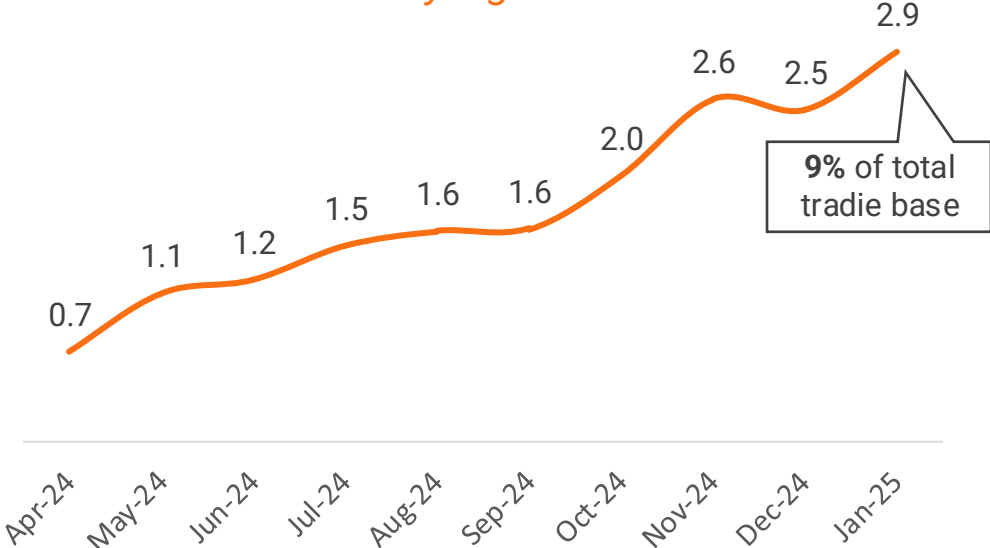
% of hipages AUS total tradie base (at Dec'24)



Growing retention opportunity as the number of MAUs<sup>1</sup> increases over time

Number of Monthly Active Users of job management features

*Limited sample to date but early MAUs exhibit materially higher retention rate*



<sup>1</sup> MAU (Monthly Active User) defined as a subscription tradie account who used at least 1 job management feature during the month

# FY25 targets<sup>1</sup>

- Operating revenue

**\$83m - \$84m**

- EBITDA margin<sup>2</sup>

**23% - 24%**

- Free cash flow

**\$5m - \$6m**

<sup>1</sup> Assuming no material deterioration in macroeconomic conditions impacting the Group's key markets under the existing strategy

<sup>2</sup> EBITDA before significant items



# Questions & Answers



A large, dark blue abstract shape on the left side of the page, resembling a stylized arrow or a speech bubble pointing towards the right.

# Appendices

## Financial Summary

# H1 FY25 Financial Summary

\$'000	H1 FY25	H1 FY24	\$ Var	% Var
Recurring	39,182	35,162	4,020	11%
Transactional	1,414	1,754	(340)	(19%)
<b>Operating revenue<sup>1</sup></b>	<b>40,596</b>	<b>36,916</b>	<b>3,680</b>	<b>10%</b>
Other	3	494	(491)	(99%)
<b>Total revenue</b>	<b>40,599</b>	<b>37,410</b>	<b>3,189</b>	<b>9%</b>
Sales <sup>2</sup>	(5,397)	(4,826)	(571)	(12%)
Marketing <sup>2</sup>	(11,083)	(9,475)	(1,608)	(17%)
Technology and development	(2,800)	(2,098)	(702)	(33%)
Operations and administration <sup>2</sup>	(12,637)	(12,650)	13	0%
<b>Total operating expenses</b>	<b>(31,917)</b>	<b>(29,049)</b>	<b>(2,868)</b>	<b>(10%)</b>
Net other income/(expenses)	1	(10)	11	110%
<b>EBITDA before significant items</b>	<b>8,683</b>	<b>8,351</b>	<b>332</b>	<b>4%</b>
Significant items	-	369	(369)	(100%)
<b>EBITDA after significant items</b>	<b>8,683</b>	<b>8,720</b>	<b>(37)</b>	<b>(0%)</b>
Depreciation and amortisation	(9,077)	(8,266)	(811)	(10%)
<b>(Loss)/profit before interest and income tax</b>	<b>(394)</b>	<b>454</b>	<b>(848)</b>	<b>(187%)</b>
Net finance income	270	56	214	382%
Share of loss of equity accounted investee, net of tax	-	(44)	44	100%
Gain on disposal of equity-accounted investment, net of tax	-	3,079	(3,079)	(100%)
<b>(Loss)/profit before income tax</b>	<b>(124)</b>	<b>3,545</b>	<b>(3,669)</b>	<b>(103%)</b>
Income tax benefit	197	160	37	23%
<b>Profit after income tax</b>	<b>73</b>	<b>3,705</b>	<b>(3,632)</b>	<b>(98%)</b>

- Recurring revenue 97% of total revenue
- Planned additional H1 marketing costs:
  - Investment in new creative assets developed to support above the line brand marketing initiatives over FY25 through FY26+
  - Tradie specific brand marketing to compliment the typically more homeowner focused campaigns over H1 to optimise marketplace balance and support continued growth in brand awareness
  - Spend expected to reduce in H2
- Overall technology spend +7% before capitalisation<sup>3</sup>

<sup>1</sup> Operating revenue refers to total revenue from ordinary activities

<sup>2</sup> Reclassifications have been made to comparative balances to conform with current year presentation

<sup>3</sup> Technology and development spend based on P&L reporting (accrual based), not reflecting the actual timing of cash flows; Refer to slide 12 for technology spend evolution

# FY25 Statutory Balance Sheet

\$'000s	31-Dec-24	30-Jun-24	\$ Var
Cash	21,202	20,116	1,086
Trade and other receivables	1,438	1,480	(42)
Other assets	1,768	1,248	520
Current tax asset	19	-	19
<b>Total current assets</b>	<b>24,427</b>	<b>22,844</b>	<b>1,583</b>
Other assets	20	-	20
Funds on deposit	1,270	1,150	120
Other investments	371	371	-
Property, plant and equipment	889	883	6
Right-of-use asset	8,329	8,162	167
Intangible assets	29,342	30,401	(1,059)
<b>Total non-current assets</b>	<b>40,221</b>	<b>40,967</b>	<b>(746)</b>
<b>Total assets</b>	<b>64,648</b>	<b>63,811</b>	<b>837</b>
Trade and other payables	7,430	7,580	(150)
Contract liabilities	3,596	3,545	51
Provisions	2,191	2,166	25
Lease liabilities	1,777	1,571	206
Current tax liability	-	45	(45)
<b>Total current liabilities</b>	<b>14,994</b>	<b>14,907</b>	<b>87</b>
Provisions	899	791	108
Lease liabilities	8,064	8,126	(62)
Deferred tax liability	995	1,229	(234)
<b>Total non-current liabilities</b>	<b>9,958</b>	<b>10,146</b>	<b>(188)</b>
<b>Total liabilities</b>	<b>24,952</b>	<b>25,053</b>	<b>(101)</b>
<b>Net assets</b>	<b>39,696</b>	<b>38,758</b>	<b>938</b>
Issued capital	320,430	320,430	-
Reserves	(218,724)	(219,589)	865
Accumulated losses	(62,010)	(62,083)	73
<b>Total equity</b>	<b>39,696</b>	<b>38,758</b>	<b>938</b>

# H1 FY25 Cash Flow

\$'000s	H1 FY25 Statutory	H1 FY24 Statutory	\$ Var
Receipts from customers (inclusive of GST)	43,413	39,965	3,448
Payments to suppliers and employees (inclusive of GST)	(34,458)	(31,168)	(3,290)
Interest received	534	135	399
Income taxes (paid)/refunded	(89)	107	(196)
<b>Net cash flows from operating activities</b>	<b>9,400</b>	<b>9,039</b>	<b>361</b>
Proceeds from disposal of investments	-	8,400	(8,400)
Payments for property, plant and equipment	(185)	(72)	(113)
Payments for intangible assets	(7,105)	(7,468)	363
(Payment)/release of bank guarantee funds related to leased property	(120)	1,037	(1,157)
<b>Net cash flows (used in)/from investing activities</b>	<b>(7,410)</b>	<b>1,897</b>	<b>(9,307)</b>
Payment of principle portion of lease liabilities	(771)	(1,425)	654
Payment of interest related to lease liabilities	(124)	(137)	13
<b>Net cash flows used in financing activities</b>	<b>(895)</b>	<b>(1,562)</b>	<b>667</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,095</b>	<b>9,374</b>	<b>(8,279)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>20,116</b>	<b>8,540</b>	<b>11,576</b>
Effects of exchange rate changes on cash and cash equivalents	(9)	4	(13)
<b>Cash and cash equivalents at the end of the period</b>	<b>21,202</b>	<b>17,918</b>	<b>3,284</b>
Funds on deposit	1,270	1,150	120
<b>Total cash and funds on deposit</b>	<b>22,472</b>	<b>19,068</b>	<b>3,404</b>

- Positive operating cash flow of \$9.4m driving strong positive free cash flow of \$1.2m bolstering total cash & funds on deposit to \$22.5m

Free cash flow	<b>\$'000</b>
Cash flow from Operations	\$9,400
Less capex – PPE	(\$185)
Less capex – Intangibles	(\$7,105)
Less lease payments	(\$895)
<b>Free Cash flow</b>	<b>\$1,215</b>

# Profit reconciliation

	H1 FY25 \$'000	H1 FY24 \$'000
<b>Reported EBITDA</b>	<b>8,683</b>	<b>8,720</b>
Write back of deferred consideration related to acquisition of New Zealand subsidiary (Builderscrack)	-	(369)
<b>EBITDA before significant items</b>	<b>8,683</b>	<b>8,351</b>
	H1 FY25 \$'000	H1 FY24 \$'000
<b>Reported profit after tax</b>	<b>73</b>	<b>3,705</b>
Non-recurring gain on disposal of equity-accounted investment, net of tax	-	(3,079)
Write back of deferred consideration related to historical acquisition of New Zealand subsidiary (Builderscrack)	-	(369)
<b>Profit after tax before significant items</b>	<b>73</b>	<b>257</b>

# Glossary and definitions



## Annual Revenue Per User (ARPU)

The annual operating revenue divided by the average of the opening and closing number of total hipages Australia and hipages NZ (Builderscrack) tradies for the period. For H1 FY25, hipages Group ARPU of \$2,267 is the blended result of hipages' ARPU of \$2,374 and Builderscrack's ARPU of \$1,149 (all amounts in AUD).

## Free cash flow

Operating cash flow less lease repayment, less payments for intangible assets and property, plant & equipment (PPE). Cash flows related to M&A and bank guarantee payment or releases are not considered part of free cash flow calculations.

## MRR

Monthly Recurring Revenue refers to the committed monthly subscription revenue from tradies (excluding GST) at the end of the period (i.e. Dec 2024 for H1 FY25). It is calculated as the number of tradie accounts multiplied by their monthly subscription price excluding GST.

## Operating revenue

Revenue from ordinary activities (excludes rental income and other non-core revenue)

## Paid connections

Paid connections occur when a tradie claims a lead on a job posted on the hipages platform, resulting in lead credit usage. Every job posted is connected with up to 3 tradies.

## Subscription tradies

Refers to hipages Australia and hipages New Zealand (Builderscrack) tradies committed to a monthly subscription product.

## Tradie-homeowner connection

Jobs posted by homeowners on the hipages marketplace appear as leads to relevant tradies (according to our job-matching algorithm). Up to 3 tradies can successfully claim a lead resulting in a tradie-homeowner connection. Connections are the trigger for lead credit consumption.

# Disclaimer



## Important notice

The material in this presentation has been prepared by hipages Group Holdings Limited (ASX: HPG) ABN 67 644 430 839 (“hipages” or the Company”) and is general background information about hipages’ activities current as at the date of this presentation. The information is given in summary form and does not purport to be complete in every aspect. In particular you are cautioned not to place undue reliance on any forward-looking statements regarding our belief, intent or expectations with respect to hipages’ businesses, market conditions and/or results of operations, as although due care has been used in the preparation of such statements, actual results may vary in a material manner. Information in this presentation or subsequently provided to the recipient of this information, whether orally or in writing, including forecast financial information, should not be considered advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities in the Company. Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice.

The financial information should be read in conjunction with the basis of preparation set out in the Company’s accounts.

## Forward-looking statements

This presentation may contain forward-looking statements which are statements that may be identified by words such as “may”, “will”, “would”, “could”, “expects”, “intends”, “anticipates”, “targets” and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions and on a number of best estimate assumptions regarding future events and actions that, at the date of this document, are expected to take place. No person who has made any forward-looking statements in this document has any intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this document, other than to the extent required by law. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company.

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