

# alloggio: FY23 Half Year Results Presentation

ASX:ALO



Alloggio pay our respects to the traditional owners, their elders past and present and value their care and custodianship of these lands.



Ruby's Ridge, Byron Bay, NSW

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# Today's Presenters



**Will Creedon**  
Founder & Chief Executive Officer



**Michael Potts**  
Chief Financial Officer & Company Secretary



# Who is Alloggio?

## Alloggio is a leading operator of short term rental accommodation in Australia

Alloggio has developed its own scalable cloud-based technology platform to provide property management solutions for holiday properties and mixed accommodation



### Holiday Properties

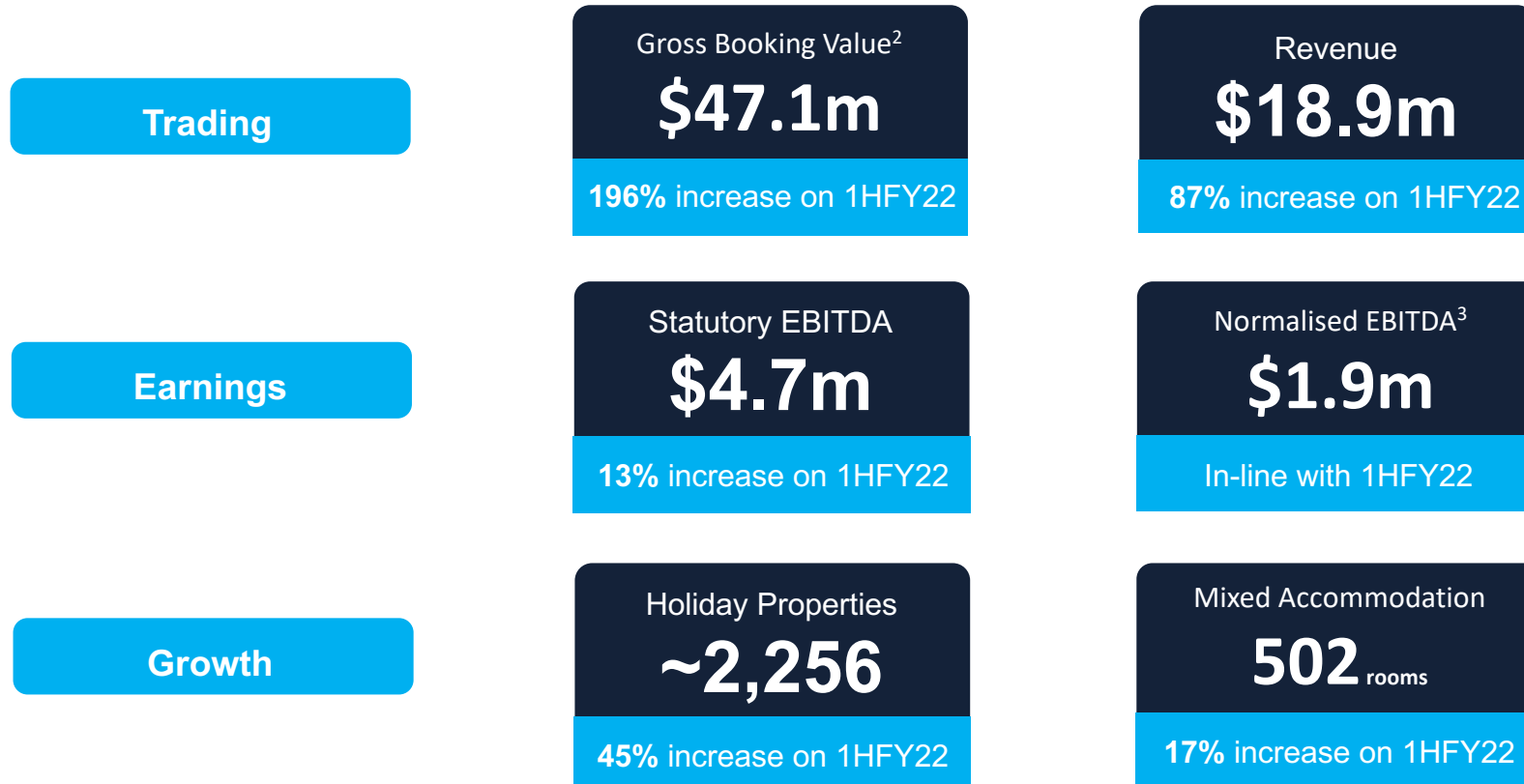
Property management solutions for holiday properties



### Mixed Accommodation

Management of hotels, apartments, caravan and tourist parks.

# Key Highlights of 1H FY23<sup>1</sup>



<sup>1</sup> Movements shown above relate to movements between 1HFY22 and 1HFY23

<sup>2</sup> Gross Booking Value (GBV) is the equivalent of Total Transaction Value (TTV) and excludes one-off Government contracts

<sup>3</sup> Normalised EBITDA refers to EBITDA, less rental expense per AASB16

**July  
2022**

Expanded in Coffs Harbour and Magnetic Island

- Expanded Alloggio's presence in Coffs Harbour and Magnetic Island via the acquisition of boutique holiday property management rights.



**September  
2022**

Enhancing Alloggio's Technology Platform

- Acquired an e-market booking platform
- Further enhancements underway providing capacity to host exclusive and non-exclusive managed properties that can be connected to B2B and B2C agents.
- Provides new booking opportunities.



**November  
2022**

Accommodation Management Agreements (AMA)

- First AMA signed and integrated onto the Alloggio platform.
- Operating Gundagai Tourist Park & Cabins.



Adjacent Business Opportunity

- Acquired a linen and laundry business.
- Alloggio will expand this service into the key tourism destinations in which it operates.



**December  
2022**

Acquisition of A Perfect Stay and Boutique Stays

- Entered Byron Bay, Gold Coast & Melbourne markets via the acquisition of A Perfect Stay and Boutique Stays.



**1,883  
Holiday  
Properties<sup>1</sup>**

**Holiday Properties have increased by 373 properties**

**2,256  
Holiday  
Properties<sup>2</sup>**

**+20%**

<sup>1</sup> as at 1 July 2022

<sup>2</sup> as at 31 December 2022

## Expected growth drivers for the remainder of FY23

1

- Further top line growth driven by traditional seasonality, organic growth and the benefit from acquisitions completed and announced to date and other potential acquisitions in what is a highly fragmented industry (although timing is uncertain)
- Continue to execute the company's growth strategy of securing holiday property management rights and mixed accommodation in key tourism destinations, including metropolitan areas
- Operational enhancements over time from further investment in our technology platform are expected to improve performance
- Continuous improvement in our shared services that are being implemented across all Alloggio's businesses, including recent acquisitions
- Cost-out programs have been initiated across the Group to manage the potential impact of a weaker economic environment

2

## FY23 outlook

- Alloggio's seasonality is typically a 30% to 42% normalised EBITDA in the 1H.
- FY23 normalised EBITDA is expected to be in the range of \$6.4m to \$8.2m
- 2H FY23 is expected to be driven by traditional seasonality, further top-line growth and operational enhancements which are expected to improve margins

The logo for 'alloggio' is displayed in white lowercase letters on a dark blue rounded rectangular background in the top right corner of the image.

**GROWTH & FUTURE**



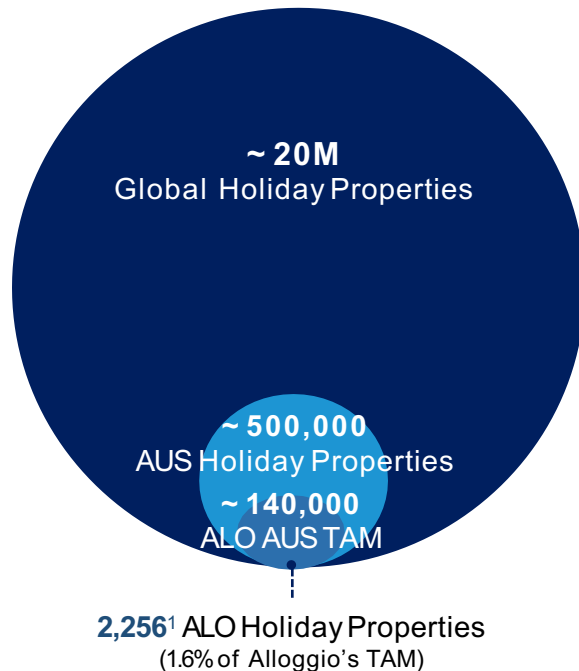
The Beach House, Lennox Head, NSW



# Highly Fragmented Industry

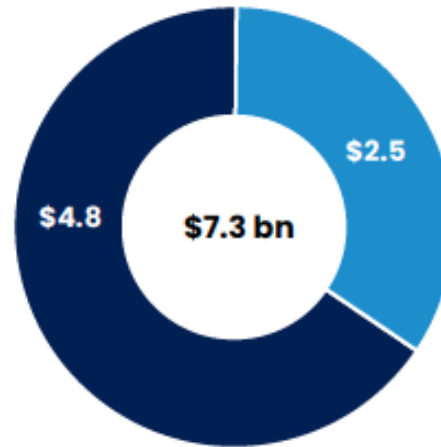
Large and growing market with an estimated TAM of ~140,000 holiday properties

## The journey to unlocking the Total Addressable Market (TAM)



<sup>1</sup> Number of properties under management as at 31 December 2022

## Australia's TAM (\$Billion)

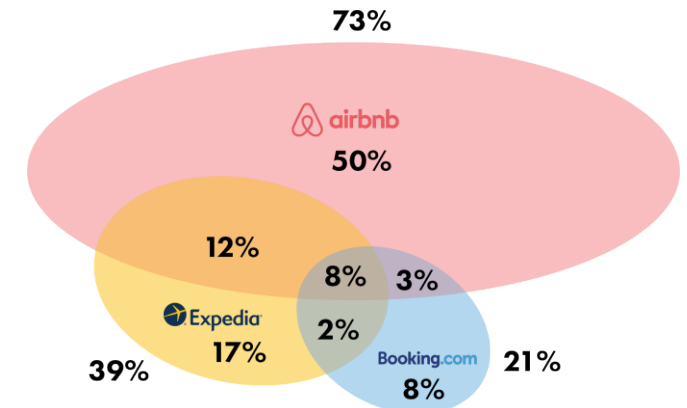


■ Holiday Properties ■ Hotels

### Key market drivers include:

- Domestic travel
- Return of International visitors
- Australia as a strong tourist destination
- Benefits of STRA for holiday property owners
- Digital transformation

## STRA supply by major Online Travel Agent (OTA), Australia 2020<sup>2</sup>



- OTAs are complementary to Alloggio's business model
- STRA listings on major booking platforms in Australia were 223,676 in January 2020 representing <50% of the total number of STRA properties
- Only 25% of Australia's STRA inventory is listed on more than one third-party OTA

<sup>2</sup> "Growing Up Fast", report into Australia's rapidly evolving STR market. Transparent Intelligence, Feb 2021



# COMPANY OVERVIEW



Kilolo, Great Ocean Road, VIC

# Turning Property into Valuable Accommodation

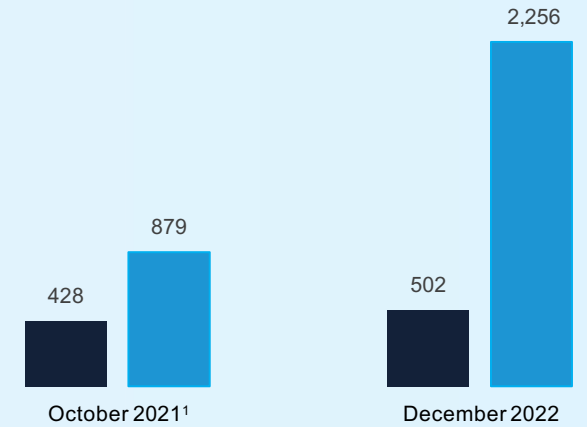
A highly scalable end-to-end property management solution



<sup>1</sup> as at 31 December 2022

# Holiday Properties & Mixed Accommodation

Alloggio operates in key tourist destinations across the east coast of Australia



- Mixed Accommodation +17.3%
- Holiday Properties +157%

<sup>1</sup> As at the prospectus date, being 18 October 2021  
 Note: logo's represent businesses acquired since 1 July 2022

# Growth and Expansion

Leveraging our technology platform to execute the Company's growth initiatives



## Growing Holiday Property Management Rights

- continuing to expand into new and existing popular tourism destinations, organically and through acquisition
- well positioned to execute on acquisition strategy due to extensive industry expertise
- proven management track record, strong relationships with key stakeholders



## Growing Mixed Accommodation

- on-going procurement of Mixed Accommodation
- providing travellers with additional accommodation options across a wide range of destinations



## Platform Investment

- driving innovation and automation
- improving a traveller's booking experience through proprietary websites and marketplaces
- maximising returns from marketing investment
- extracting further operational efficiencies and benefits of scale



## Digital Marketing Strategies

- continuing to increase brand presence and awareness
- scaling-up local content strategy reinforcing Alloggio brands
- innovating digital advertising providing access to richer engagement and access to connected devices

# Strategic Timeframe

Alloggio are building the foundations for long-term growth



## Transform

Pre-IPO | FY22

- Transition to a publicly listed company
- Building operations and establishing a team for future growth
- Broadening and refining proprietary technology platform

## Build

FY22 | FY23

- New marketing distribution
- Differentiated accommodation models
- Continued investment in proprietary technology platform and people
- Execute growth opportunities

## Grow

FY24 and beyond

- Deliver on growth strategy and profit growth
- Develop new growth opportunities in key tourism destinations
- Deliver on technology platform efficiencies



alloggio:

# FINANCIAL INFORMATION



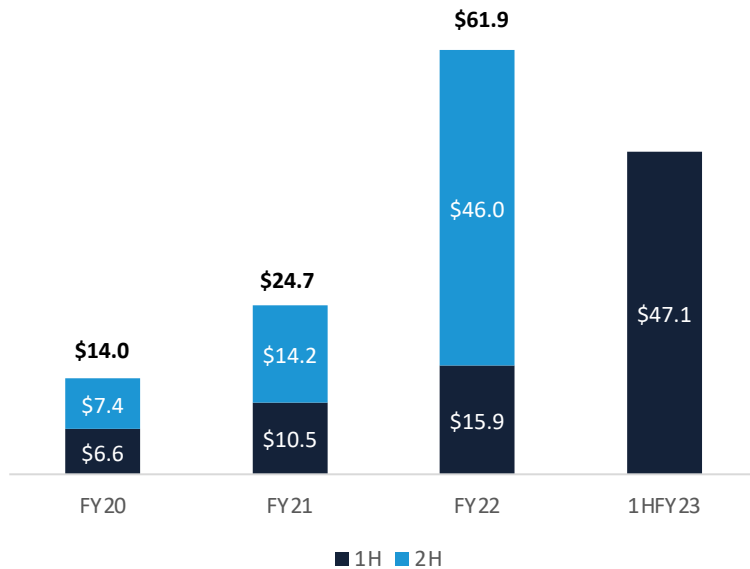
Tidemark, Byron Bay, NSW

# Key Operating Metrics

Demonstrated track record of increasing GBV, Revenue and quantum of properties/rooms

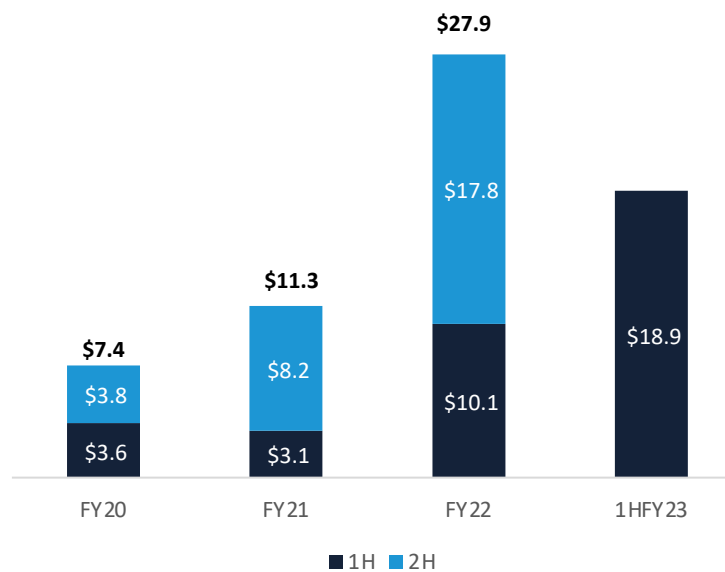
## Gross Booking Value (\$m)

- Gross Booking Value (GBV) is the total amount paid by the traveller for their stay
- GBV increased 196% on 1HFY22 to \$47.1m in 1HFY23



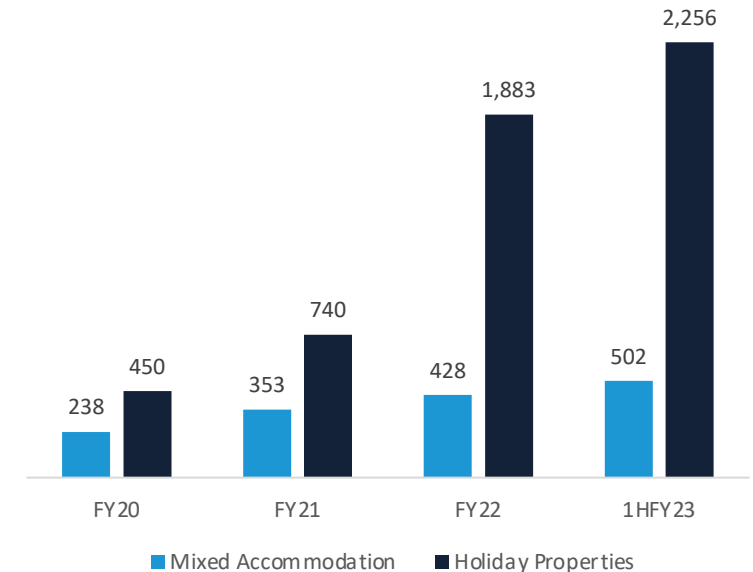
## Revenue (\$m)

- Revenue is the total revenue generated by holiday property management, mixed accommodation and adjacent business operations



## No. of properties/rooms

- ~2,256 holiday properties, an increase of 45% on the pcp
- 502 mixed accommodation rooms, an increase of 17% on the pcp





# Financial Performance



Strong momentum in the core business

## Revenue increased by 87% pcp

- Revenue increased 87% on 1H FY22 to \$18.9m, primarily due to:
  - the contribution from acquisitions in FY21, FY22 and 1H FY23
  - technology platform
  - organic growth initiatives
- During 1H FY23, Alloggio commenced revenue generation from adjacent business opportunities, such as linen, housekeeping, car hire etc with expectations for further growth

## Contribution margin, EBITDA and other items

- Contribution margin has remained steady at 56% (1HFY22: 55%)
- 1H FY22 included revenue from one-off Government contracts in response to COVID-19 measures and not received in 1HFY23 (see slide 18 for further details)
- Operating expenses have increased in line with acquisitions integrated since the pcp and further investment in head office to support future growth
- 1H FY23 incurred a 6-month contribution of being an ASX listed company versus 1 month in the pcp
- Depreciation increased primarily due to acquisitions

## Normalised EBITDA

- Normalised EBITDA refers to EBITDA less rental expense per AASB16 and is inline with the pcp

## Net profit

- Small loss driven by the company's normal seasonality, contributing to a lower EBITDA margin and net profit

\$ million	1HFY23	1HFY22
<b>Revenue</b>	<b>\$18.9</b>	<b>\$10.1</b>
Contribution Margin	\$10.7	\$5.5
<i>Margin</i>	<i>56%</i>	<i>55%</i>
Total operating expenses	\$5.9	\$1.9
Other income/(expenses)	\$0.0	\$0.6
<b>EBITDA</b>	<b>\$4.7</b>	<b>\$4.2</b>
<i>Margin</i>	<i>25%</i>	<i>41%</i>
Depreciation and Amortisation	\$3.5	\$2.5
<b>EBIT</b>	<b>\$1.2</b>	<b>\$1.7</b>
Interest expense	\$1.2	\$1.0
<b>Net Profit Before Tax</b>	<b>(\$0.0)</b>	<b>\$0.7</b>
Income tax expense	-	\$0.2
<b>Net Profit After Tax</b>	<b>(\$0.0)</b>	<b>\$0.5</b>

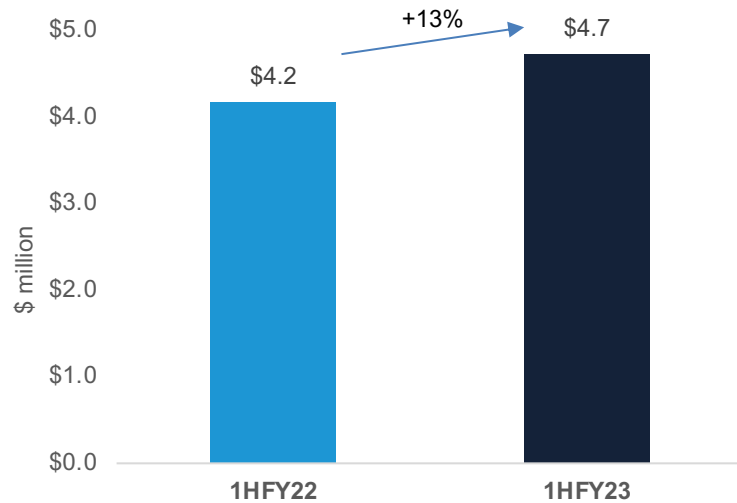
<b>EBITDA</b>	<b>\$4.7</b>	<b>\$4.2</b>
Add: IPO transaction costs	-	\$0.1
Less: Rent adjustment	\$2.8	\$2.1
Less: Rent concession income	-	\$0.2
<b>Normalised EBITDA</b>	<b>\$1.9</b>	<b>\$2.0</b>

# Normalised EBITDA

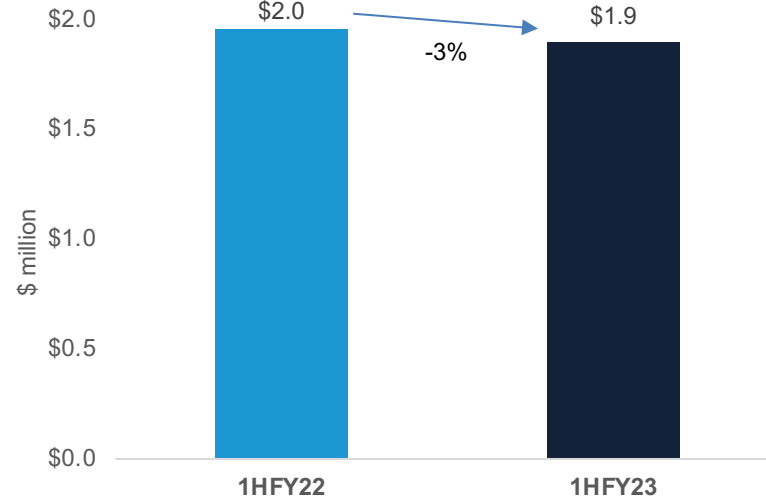
Strong momentum in Alloggio's core business



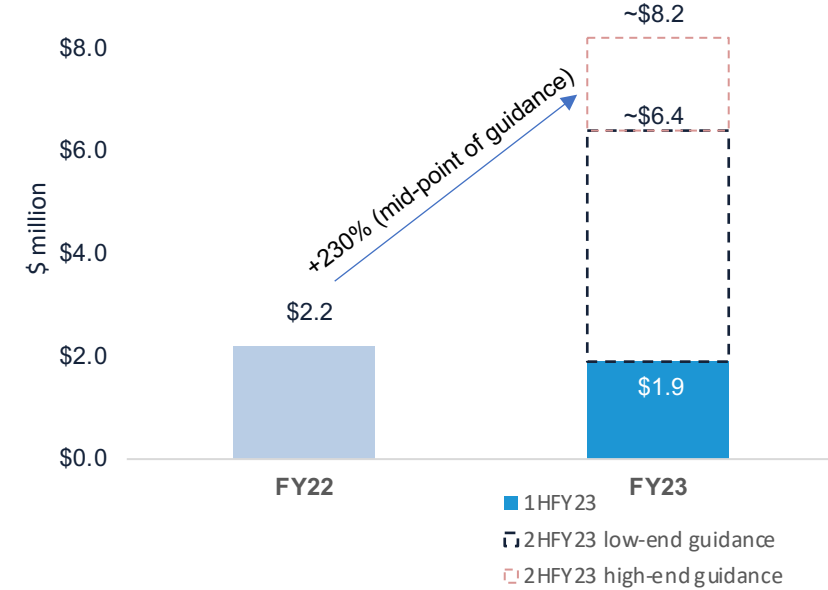
## EBITDA



## Normalised EBITDA



## Normalised FY EBITDA (ex one-off contracts FY22)



### Comments

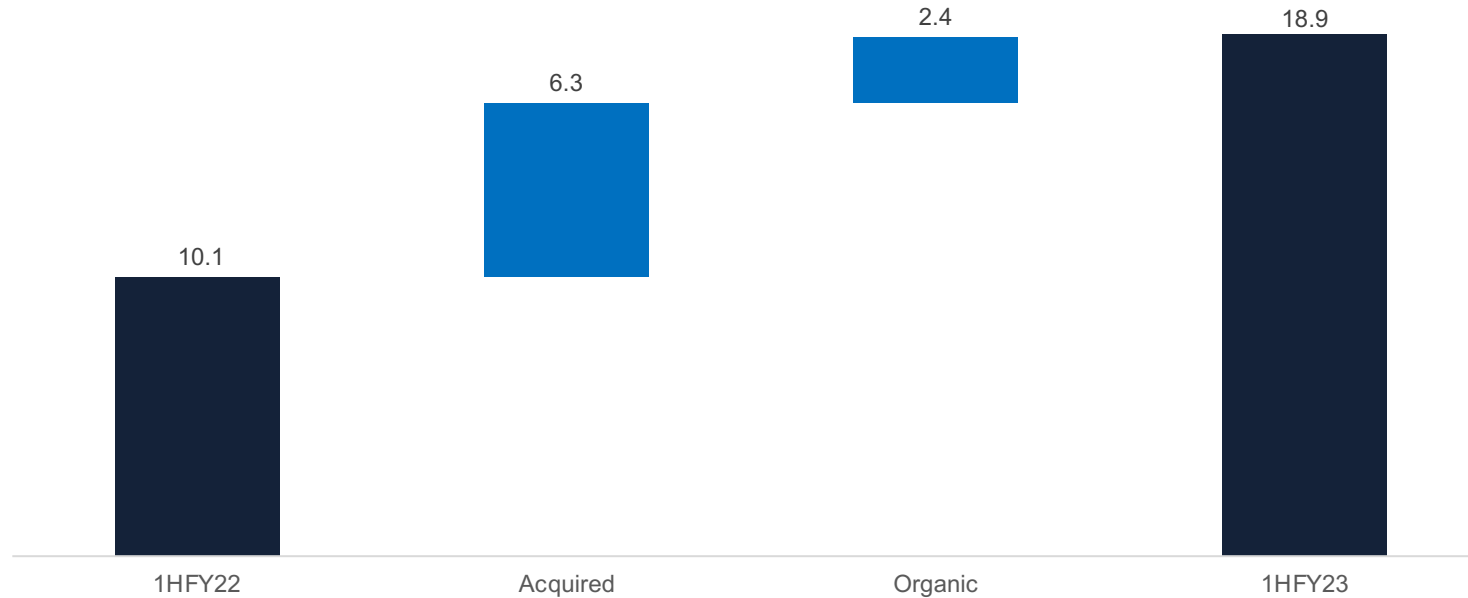
- EBITDA does not take account of rental expense per AASB16

- Normalised EBITDA refers to EBITDA, less rental expense

- Normalised EBITDA FY22 (ex one-off contracts) is adjusted to exclude rental expense and included revenue from Government contracts in response to COVID-19 measures and deemed a one-off
- Guidance for FY23 normalised EBITDA is in the range of \$6.4 to \$8.2m

# Revenue Bridge

Alloggio generated organic and inorganic revenue growth



## Comments

### Total

- Increased 87% on 1H FY22 to \$18.9m, primarily due to:
  - the contribution from acquisitions in FY21, FY22 and partial contribution from acquisitions in 1H FY23
  - technology platform
  - organic growth initiatives

### Organic

- Growth from the full-year benefit of acquisitions on Alloggio's technology platform and other organic growth initiatives

## Operating Activities

- Receipts from customers increased by 87% on the pcp as a result of contributions from:
  - the full year benefit of acquisitions made in FY21,
  - partial contributions from acquisitions made in FY22 and 1H FY23,
  - Alloggio's technology platform,
  - organic growth initiatives

## Investing Activities

- Payment for purchase of business, net of cash required (\$6.4m) includes acquisition of "A Perfect Stay" and the linen business.

## Financing Activities

- Net proceeds from borrowings (\$7.7m) represents the draw down from the Company's existing debt facility to finance acquisitions announced during the period

\$ million	1HFY23	1HFY22
Receipts from customers (inclusive of GST)	\$18.0	\$9.7
Payments to suppliers and employees (inclusive of GST)	(\$15.6)	(\$8.0)
	<b>\$2.4</b>	<b>\$1.7</b>
Government grants and subsidies	-	\$0.3
Interest and other finance costs paid	(\$1.2)	(\$1.0)
Income taxes paid	-	(\$0.5)
<b>Net cash from operating activities</b>	<b>\$1.2</b>	<b>\$1.0</b>
Payment for purchase of business, net of cash required	(\$6.4)	-
Payment of deposit on rent roll acquisition	(\$0.1)	-
Payments for property, plant and equipment	(\$0.6)	(\$0.7)
Payments for intangibles	(\$1.0)	(\$8.0)
Payments for security deposits	(\$0.0)	(\$0.2)
Proceeds from disposal of property, plant and equipment	\$0.0	-
<b>Net cash used in investing activities</b>	<b>(\$8.1)</b>	<b>(\$8.9)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	\$16.5
Repayment of lease liabilities	(\$1.9)	(\$1.1)
Proceeds from convertible notes	-	\$2.2
Share issue transaction costs	-	(\$1.6)
Net proceeds from borrowings	\$7.7	\$1.2
<b>Net cash from financing activities</b>	<b>\$5.8</b>	<b>\$17.1</b>
Net increase/(decrease) in cash and cash equivalents	(\$1.1)	\$9.2
Cash and cash equivalents at the beginning of the financial half-year	\$4.0	\$0.2
<b>Cash and cash equivalents at the end of the financial half-year</b>	<b>\$2.8</b>	<b>\$9.4</b>

## Financial position

- \$7.1m of available funding capacity, comprising;
  - \$2.8m of cash; and
  - \$4.3m of undrawn debt
- \$13.3m of drawn senior debt (31 Dec 2021; \$6.1m)
- \$10.5m of net debt<sup>1</sup>

## Right of use assets and management rights

- Mixed Accommodation (Hotel) leases are capitalised as a right of use asset and lease liability under AASB16
- Acquisition of management rights conducted during the period

## Client trust account liabilities

- Cash held in client trust account is restricted cash under Alloggio's control on behalf Holiday Property owners

\$ million	31-Dec-22 <sup>2</sup>	31-Dec-21
Cash and cash equivalents	\$2.8	\$4.0
Cash held in client trust account	\$34.7	\$17.4
Trade, other receivables and other current assets	\$5.5	\$2.4
<b>Total Current Assets</b>	<b>\$43.0</b>	<b>\$23.8</b>
Property, plant and equipment	\$1.9	\$1.0
Investment property	\$0.9	\$0.9
Right of use assets	\$39.4	\$40.4
Intangible assets	\$38.8	\$25.1
Deferred Tax	\$1.3	\$1.2
Other assets	\$0.4	\$0.2
<b>Total Non-Current Assets</b>	<b>\$82.7</b>	<b>\$68.9</b>
<b>Total Assets</b>	<b>\$125.7</b>	<b>\$92.7</b>
Trade, other payables and other liabilities	\$4.8	\$1.9
Contract liabilities	\$0.6	-
Borrowings	\$0.6	\$0.1
Lease Liabilities	\$4.5	\$3.8
Income tax	\$1.4	\$1.3
Employee benefits	\$0.8	\$0.6
Provisions	\$2.0	-
Client trust account liabilities	\$34.7	\$17.4
<b>Total Current Liabilities</b>	<b>\$49.4</b>	<b>\$25.0</b>
Borrowings	\$13.3	\$6.1
Lease liabilities	\$37.9	\$39.1
Deferred tax	\$2.5	-
Employee benefits	\$0.2	\$0.1
Provisions	\$1.0	\$1.0
<b>Total Non-Current Liabilities</b>	<b>\$54.9</b>	<b>\$46.4</b>
<b>Total Liabilities</b>	<b>\$104.3</b>	<b>\$71.4</b>
<b>Net Assets</b>	<b>\$21.3</b>	<b>\$21.3</b>
Issued capital	\$25.1	\$25.1
Reserves	(\$4.1)	(\$4.2)
Retained profits	\$0.4	\$0.4
<b>Total Equity</b>	<b>\$21.3</b>	<b>\$21.3</b>

<sup>1</sup> Senior debt less cash and cash equivalents

<sup>2</sup> Numbers on this table are rounded

## Leading market position, compelling fundamentals and strong growth track record

1

### Compelling fundamentals

- Increasing demand for short term rental accommodation
- Large and growing addressable market in Australia of ~140,000 holiday properties

2

### Highly fragmented market

- Alloggio is a leading operator of STRA & taking advantage of significant consolidation opportunities
- Expected growth from acquisitions completed to date and other potential acquisitions in what is a highly fragmented industry

3

### Scalable technology

- Established proprietary scalable cloud-based technology platform
- Enables an end-to-end solution for both traveler and holiday property owner

4

### Growth

- Built the business from the ground up to a network of 19 locations comprising over 2,256 holiday properties and 502 mixed accommodation rooms
- Continued focus on leveraging its platform to make further acquisitions, implement organic growth initiatives and extract operational efficiencies and scale benefits

5

### FY23 outlook

- Alloggio's seasonality is typically a 30% to 42% normalised EBIDTA in the 1H.
- FY23 normalised EBIDTA is expected to be in the range of \$6.4 to \$8.2m
- 2H FY23 is expected to be driven by traditional seasonality, further top-line growth and operational enhancements which are expected to improve margins



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**THANK YOU**

 Woodfin House, Abbotsfoord Melbourne, VIC