

ASX Release 9 November 2023

## 2023 AGM - Chair and CEO Addresses

**hipages Group Holdings Limited** (ASX:HPG) (“hipages Group” or “the Company”), owner of hipages, Australia’s largest online tradie marketplace and Software-as-a-Service (SaaS) provider connecting tradies with residential and commercial consumers provides the following in connection with its 2023 Annual General Meeting:

- Chair address - Inese Kingsmill; and
- CEO address - Roby Sharon-Zipser

Ends

Authorised for release to the ASX by the Company Secretary.

Further Information

Investors

Ryan Thompson  
+61 423 151 378  
rthompson@citadelmagnus.com

Media

Jack Gordon  
+61 478 060 362  
jgordon@citadelmagnus.com

### About hipages Group (ASX:HPG)

hipages Group creates effortless solutions that help tradies streamline and grow their business and delight their customers. As Australia and New Zealand’s largest online tradie marketplace and Software-as-a-Service (SaaS) provider, hipages Group connects tradies with residential and commercial consumers through its platforms, hipages and Builderscrack. The Company helps tradies grow their business by providing job leads from homeowners and organisations looking for qualified professionals, while enabling them to optimise their business. To date, over three million Australians and New Zealanders have used hipages Group to change the way they find, hire and manage trusted tradies, providing more work to over 34,500 subscribed trade businesses. Also part of the hipages Group ecosystem is Tradiecore, workflow management software that eases the burden of everyday admin for tradie businesses, and Bricks & Agent, the market-leading property maintenance platform in which the Company has a minority ownership.

## Chair's address

Good morning shareholders and thanks for joining us today.

I am pleased to report that FY23 was another year of strong execution for hipages Group, with the team progressing the marketplace to platform strategy while adapting to changing economic and trading conditions.

While H1 was still impacted by the post-COVID overhang of unprecedented consumer demand and constrained tradie supply, the team did well to deliver continued revenue growth, while executing key strategic milestones and tightly managing costs and cash.

In H2, the economic environment softened and competition for jobs among tradies heated up, with the business carrying strong momentum into FY24.

For the full year, the Group delivered total revenue of \$67.0 million, up 8% on the prior year. While the Group recorded a pro forma net loss after tax of \$2.3 million for the full year, we reached an important milestone in delivering positive free cash flow in H2, with the benefits of operating leverage beginning to emerge and with our cost base having stabilised.

We have announced and reaffirmed our target of being free cash flow positive in FY24. Incorporating the \$8.4 million proceeds from the recently announced divestment of our stake in PropTech Labs, which is expected to complete in December, the Group is well funded .

On behalf of the Board, I would like to thank our CEO Roby Sharon-Zipser and the hipages Group team for their focus and execution this year. As a Board, we have high conviction in the strategy and its ability to generate long-term sustainable value for our customers, team members and shareholders.

## Progress on ESG

Our vision is to be the most trusted trade partner in the trades industry. Trust is key to our tradie ecosystem, and we recognise that environmental and social responsibility is part of building that trust.

Our ESG commitments are a demonstration of our culture and values and play a role in retaining our great people and attracting new talent and by supporting our customers to make an impact. Our unique and award-winning culture is an important part of this, and is reflected in our strong team engagement, with 87% of team members saying that hipages is a great place to work, and hipages having been ranked in the top three at the 'Best Place to Work' awards for the third year in a row.

Last year we presented our first Environmental, Social and Governance (ESG) snapshot, which was an important step in reporting our environmental and social impact. This year, we undertook a benchmarking and gap analysis process which included a review of our governance practices, policies, procedures, social initiatives and environmental considerations.

We have outlined our future ambitions and look forward to reporting against them annually moving forward, as we continue to expand our ESG efforts.]

### **Board renewal**

Board renewal and diversity remains a high priority for the Group, and our Board has continued its growth and evolution this year, with the appointments of three new independent non-executive directors, in Kate Mills, Adir Shiffman and Kate Hill.

Bringing significant and diverse experience across corporate finance, law, accounting, technology and entrepreneurship, Kate, Adir and Kate add significant capability to our Board as the Group enters its next phase of growth.

I would like to acknowledge two of our departing directors, Chris Knoblanche and Stacey Brown, who retired from the Board at our FY23 results. Chris led the Board as Chair through our journey from a private to a listed company and we have benefited greatly from his experience, insight and leadership. Stacey has been a valued director and Chair of our Audit and Risk Committee since 2020, a role that is now held by Kate Hill. Stacey has taken up a new executive role requiring her full time commitment, and we wish her well in her new role and thank her for her contribution.

To my fellow Board members, thank you for your valued counsel and your support in my first full year as Chair.

Thanks to you for your continued support as valued shareholders of hipages Group. We are strong believers in the potential of the Company, and firmly believe that as we execute the strategy and deliver on our commitments, we will create significant long-term value for shareholders.

I'll now hand over to Roby to talk more about the Group's performance and strategic evolution in FY23 and provide some colour around current trading and the outlook for FY24.

### **Inese Kingsmill Non-Executive Chair**

## CEO's address

Good morning all and thanks for your continued support of hipages Group.

### Award-winning culture

Today I'd like to begin by acknowledging the efforts of the incredible hipages Group team, who are the key drivers of our success. The team did a great job this year to remain focused on delivering the strategy, while continuing to provide exceptional service to our customers.

Our unique culture and diverse workforce are very important to us and something we have worked very hard to build and maintain, and we are delighted to have maintained our high employee engagement this year, as well as being ranked in the top 3 best places to work in Australia for the third straight year.

Our wellbeing and financial benefits also won us the Smart50 Best Salary and Benefits award for 2023, which reflects our commitment to attracting and retaining top tier talent.

### Tradie Advisory Board

Earlier this year, we were very excited to announce our inaugural Tradie Advisory Board, the first of its kind in Australia, comprised of eight tradies from across Australia representing a wide range of trades.

The Advisory Board has a direct line into our management team and Board and provides us with an invaluable opportunity to listen, learn, and collaborate directly with the people who use our products and services.

We have already gained some valuable insights from the group and will continue to leverage their perspectives to drive innovation and deliver even greater value for our customers.

### Financial highlights

Turning to our financial performance for FY23, I am pleased to report that hipages Group ended the year carrying significant momentum, with our key metrics and other lead indicators clearly showing that as economic activity cools, weaker consumer demand is driving greater competition among tradies, which is directly benefiting us.

A slower H1 did impact revenue growth, however MRR growth accelerated strongly in H2, up 15% vs. the pcp to end the year at \$6.3 million. Total revenue for FY23 was up 8% to \$67.0 million.

Demand for our services from new and returning customers remains at record levels, with subscription tradies growing to 35.7k and strong ARPU growth continuing as tradies continue to join at record yields and ascend to higher-priced packages.

Job volumes continued to normalise, but total connections between tradies and consumers were up 8% in H2 on the pcp, which is a more accurate reflection of marketplace activity and lead indicator of future revenue growth.

EBITDA before significant items increased by 14% to \$12.7m, with focused expense management and enhanced operating leverage driving the EBITDA margin up 1ppt to 18%.

As Inese said earlier, we reached a key milestone in delivering positive free cash flow in H2 and we are targeting positive free cash flow for FY24.

### **Strategic evolution from marketplace to platform**

hipages Group has grown to become the #1 online tradie marketplace in Australia and New Zealand, with 35.7k subscription tradie customers and 1.4m jobs posted annually.

The scale and brand recognition we have developed is the result of significant long-term investment, with tradies increasingly recognising that our platforms offer some of the highest ROI solutions for lead generation.

While the countercyclicality of the hipages Group business model is favourable in the near term, we are evolving from a marketplace business to a single tradie platform to reduce our exposure to the economic cycle and open new opportunities for growth. This slide shows the three pillars of our strategic transformation over the next three years and beyond.

The first pillar is optimising our core marketplace business, with lead price optimisation, increased uptake of existing services and enhanced Tradiecore functionality to drive higher ARPUs and revenue growth.

The second pillar is our tradie platform evolution, where we are developing Tradiecore into an end-to-end SaaS platform for tradies to run better businesses. This will provide opportunities for us to develop and sell an expanded range of products and services for tradies, as well as driving additional growth through new platform pricing and packaging.

The third pillar is a consumer platform evolution, with consumer products and services enabling us to increase our take rate over time, while using the huge amounts of data we capture through our platforms to create bespoke products and services to drive further growth.

We believe the growth opportunity from this evolution is huge, with enhanced customer retention and a range of future expansionary revenue opportunities delivering increased customer lifetime value.

## Strategy video

At our full year results, we showed a short video that shows what the future looks like as we combine hipages and Tradiecore into a single application. I'd like to show that video again today to bring our strategy to life.

As a reminder, the first minute or so shows the current state, with the workflow separated across the hipages for Tradies app and Tradiecore. The middle section shows what it will look like when the full workflow is available in Tradiecore, providing a seamless experience for tradies. Then, the final section shows a range of potential future services that are unlocked by Tradiecore.

## VIDEO

I hope you enjoyed the video. We're certainly very excited to see this come together.

## Trading update and outlook

Turning to our year-to-date trading performance and the outlook for FY24.

The business has continued its strong momentum into the first quarter, with Group MRR up 17% on the pcp to \$6.5 million and subscription tradies up 5% on the pcp to 36,000. While job volume has continued to normalise, connections between tradies and consumers are up 5% on the pcp as tradies continue to compete for jobs.

We are on track to deliver our FY24 targets outlined at our full year results, driven by the execution of our first strategic pillar, with the other two pillars giving us additional confidence in our growth prospects over the medium- to long-term.

We have a highly efficient and scalable operating model, which has the potential to deliver enhanced operating leverage and margin expansion, and with the benefit of the \$8.4 million proceeds from the divestment of our stake in PropTech Labs expected to complete in December, the Group has the additional financial flexibility to execute our strategy while retaining a healthy capital buffer.

Before I hand back to Inese for the formal business of the meeting, I want to reiterate my excitement about the future of hipages Group. There is a lot of work to do, but I am confident we have the strategy and team to take advantage of this huge opportunity. I look forward to reporting back on our progress throughout the year.

Thanks again to the hipages Group team for their hard work and passion, and to the Board for their guidance this year. Thanks also to you, our fellow shareholders, for your continued support.

**Roby Sharon-Zipser, CEO & Co-Founder**

hipages Group (ASX: HPG)



# hipages Group Holdings Limited

## 2023 AGM

9 November 2023

# Disclaimer

## **Important notice**

The material in this presentation has been prepared by hipages Group Holdings Limited (ASX: HPG) ABN67 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.

This presentation also contains references to certain intentions, expectations, targets and plans of the Company. These intentions, expectations and plans may or may not be achieved. They are based on certain assumptions which may not be met or on which views may differ.

To the maximum extent permitted by law none of hipages, its subsidiaries, or its respective officers, employees, agents or consultants nor any other person accepts any liability, including, without limitation, any liability arising out of negligence, for any loss arising from the use of the information.

Australia and New Zealand's largest  
online tradie marketplace and SaaS platform,  
helping tradies build better businesses.

## **Vision**

To be the most trusted partner in the  
trade industry

## **Purpose**

Transforming the trade industry,  
building better lives for everyone

# hipages Group Board of Directors



**INESE KINGSMILL**  
Chair and Independent  
Non-Executive Director



**ROBY SHARON-ZIPSER**  
Chief Executive Officer & Director



**KATE MILLS**  
Independent Non-Executive Director  
Remuneration and Nominations Committee Chair



**NICHOLAS GRAY**  
Non-Executive Director



**KATE HILL**  
Independent Non-Executive Director  
Audit and Risk Committee Chair



**ADIR SHIFFMAN**  
Independent Non-Executive Director

# Asking questions online

## Asking questions

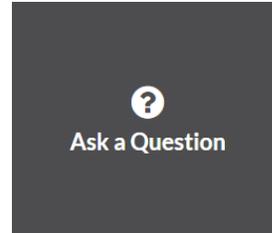
Only Holders and Proxyholders are able to ask questions

Click on **“Ask a Question”**

Select **“General Business”** or a specific resolution

Type in your question and click **“Submit”**

**Comments** on resolutions can also be submitted through **“Ask a Question”**



HELP NUMBER  
**1800 990 363**

## Ask a Question

We welcome any questions that you may have and will endeavour to answer all questions during the Meeting. To submit a question, please select what the question pertains to and type your question in the provided area. If you have multiple questions please submit each individually.

Regarding

Question

Type your question here...

Characters left: 532

Characters : 0

Submit Question

# Voting online

## Lodging your votes

Click **“Get a Voting Card”**  
(top and bottom of platform)

Enter your Holder Number and  
Postcode or your  
Proxy Number

Click **“Submit Details and Vote”**

Fill out your voting card for each item  
of business

Click **“Submit Vote”**

The image shows a sequence of steps for online voting. It starts with a dark grey button labeled 'Get a Voting Card' with a white plus sign. An arrow points to a 'Voting Card' form titled 'Please provide your Member or Proxy details'. This form has two sections: 'MEMBER DETAILS' with fields for 'Member Number' and 'Post Code', and 'PROXY DETAILS' with a field for 'Proxy Number'. Both sections have an orange 'SUBMIT DETAILS AND VOTE' button. An 'OR' separator is between the sections. A second arrow points to a full 'Voting Card' page. This page has a 'HELP NUMBER 1800 990 363' at the top right. Below the title, it says 'Please complete your vote by selecting the required voting instruction (For, Against or Abstain) for each resolution. Proxy holder votes will only be applied to discretionary (undirected) votes. Directed votes will be applied as per the the shareholder's voting instructions.' There is a 'Vote' button. Below this are four resolutions, each with 'For', 'Against', and 'Abstain' radio buttons. Resolution 1 is 'REMUNERATION REPORT', Resolution 2 is 'RE-ELECTION OF DR ANDREW CRANE', Resolution 3 is 'CHANGES TO THE CONSTITUTION - BOARD SIZE', and Resolution 4 is 'CHANGES TO THE CONSTITUTION - A CLASS SHARE CRITERIA'. At the bottom is a large orange 'Submit Vote' button.

# Meeting agenda

**1** Chair's address

**4** General Q&A

**2** CEO's address

**5** Last call for votes

**3** Formal meeting business

**6** Meeting close



## Chair's address

**INESE KINGSMILL**

**Chair and Independent Non-Executive Director**



## CEO's address

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

# Award-winning culture



**87%**

say hipages Group is a great place to work

**92%**

feel trusted, celebrated and can be themselves

**91%**

feel hipages promotes diversity of backgrounds, talents and perspectives

**Top 3**

'Best Place to Work' awards, third year in a row!

**50/50**

Board gender diversity

**Zero same role pay-gap**

Overall gender pay-gap 11%  
Aust average 22.8%<sup>1</sup>

# Tradie Advisory Board

Ensuring the voice of the customer is at the heart of our product and strategy



- Tradie Advisory Board - the first of its kind in Australia
- Provides a dynamic voice of the customer to validate strategy and inform our product roadmap, feature development and user experience

*"I'm looking forward to making an impact on the way tradies work with customers, as well as helping a business that has helped me so much with mine"*

**-Fabricio Siquera – Advisory Board member**

L-R: Darcy Stewart - Stewart Electrical (NSW), Hugh Boland (seated) - All Things Air Conditioning (ACT), Omar Alayoubi - OMZ Painting (Vic), Fabricio Siqueira - Architect & Design (Vic), Andrea Zappacosta - AZ Cleaning (WA), Tim Rosenzweig - That Appliance Repair Guy (SA), Anne-Marie Tomson - Skillsmart Plumbing (QLD); Advisory Board member not shown – Shannon Hawke - Myadel Aluminium Specialists (NSW)

# FY23 financial highlights

## Revenue

↑ **\$6.3m** MRR  
Up 15%

↑ **\$62.9m** Recurring revenue  
94% of Total revenue

↑ **\$67.0m** Total revenue  
Up 8%  
Operating revenue up 9% to \$65.9m

## Profitability

↑ **88%** Gross margin  
Up 3pp

↑ **12.3m** EBITDA<sup>1</sup>  
Up 14%  
EBITDA margin 18% (up 1pp)

↓ **\$(2.3)m** NPAT<sup>1</sup>  
FY22: **\$(0.3)m**<sup>1</sup>

## Key drivers

↑ **35.7k** Subscription tradies  
Up 3%

↑ **\$1,872** ARPU  
Up 10%  
Up 11% to \$1,985 for hipages Australia

↓ **1.4m** Job volume  
Down 13%  
Tradie/consumer connections up 8%

**Closing cash and funds on deposit of \$10.7m and no debt**

# Strategic evolution from marketplace to platform

## FY23-FY26+ roadmap

Marketplace  
optimisation

Lead pricing optimisation  
Drive uptake of existing services  
Enhance Tradiecore functionality

Tradie platform  
evolution

End-to-end SaaS solution for tradies  
Expand range of products  
& services  
New platform pricing and packaging

Consumer platform  
evolution

Consumer products & services  
Fixed priced services  
Data solutions



# Trading update and FY24 outlook

- Strong marketplace momentum continued in Q1
  - Group MRR up 17% on pcp to \$6.5 million
  - Subscription tradies up 5% on pcp to 36,000
  - Tradie/consumer connections up 5% on the pcp as tradies continue to compete for jobs
- PropTech Labs stake to be divested for \$8.4 million, representing a 30.9% pre-tax return on investment
- FY24 positive free cash flow target reaffirmed, excluding proceeds of divestment

**Thank you**