

**hipages Group** (ASX: HPG)



# ASX Small & Mid-Cap Conference

March 2024

# Key Investment Highlights



We are Australia and New Zealand's **largest online tradie marketplace**, connecting tradies with residential and commercial consumers

Our hipages marketplaces serve consumers and tradies in the **home improvement and maintenance** segment across both Australia and New Zealand

We operate a tradie subscription model that drives highly predictable **monthly recurring revenue**

We have a track record of **managing marketplace growth** – growing tradies subscriber numbers, revenue (ARPU), and consumer job connections

Our **operating and development expenditure is highly disciplined** as we continue to drive growth and support our strategic evolution

We are targeting **positive free cash in FY24** as we reach the inflexion point where our operating leverage and free cash generation fully funds:

- the **ongoing marketplace optimisation opportunity** will further drive scale and financial returns
- Tradiecore, our strategic end-to-end tradie platform that will **drive improvement in our tradie acquisition and retention metrics**

We have **well defined near and medium-term financial targets and a strong balance sheet** with ~\$19m free cash

# Business Overview



**>4.5m users**  
have posted jobs



**Over 35k**  
subscription tradies



**\$6.6m\***  
Monthly Recurring Revenue



**~\$155m Market Cap**  
**~\$19m cash balance & funds on deposit**



On track to become  
**Net Cash Flow positive** in FY24



### Major shareholders:

- News Corp (28%)
- Founders (13%)
- Ellerston Capital (10%)
- Investors Mutual (6%)

\*Monthly Recurring Revenue refers to the committed monthly subscription revenue from tradies (including GST) at the end of the period

# Our Business Model

## Online Marketplace

## Software-as-a-Service (SaaS)

*Australia:*



*New Zealand:*



**Builderscrack**



**TRADIECORE**

Platforms for:

**Consumers to find qualified tradies**

&

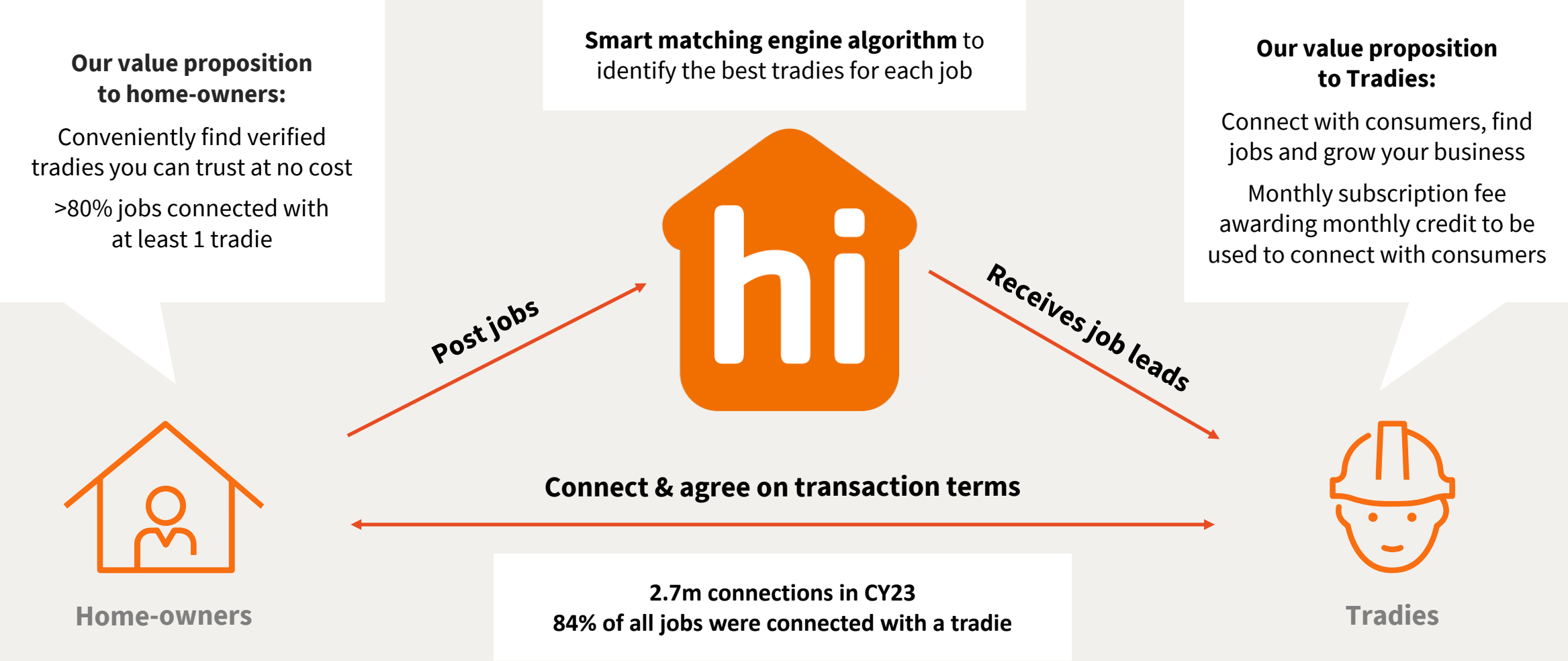
**Tradies to find jobs and grow their business**

App for :

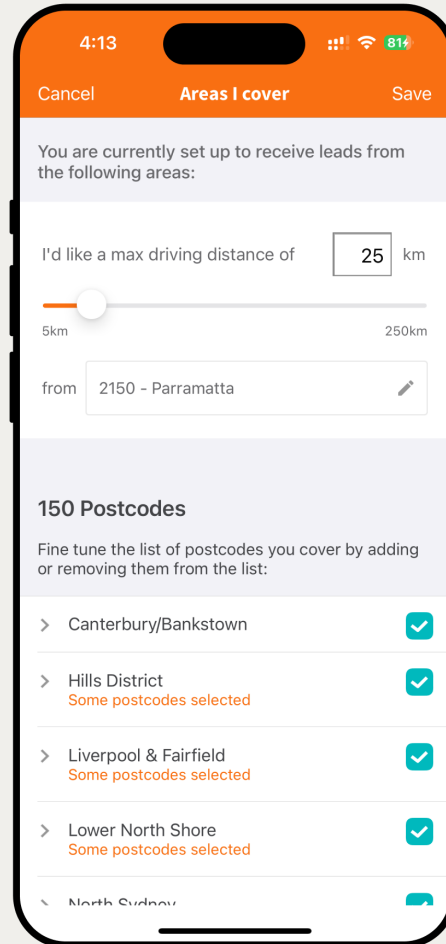
**Tradies to manage**

**their business**

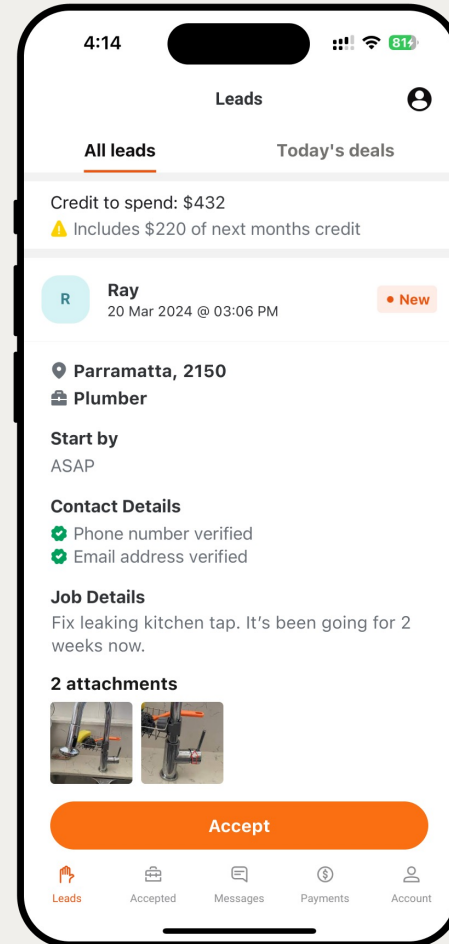
# How our marketplace works



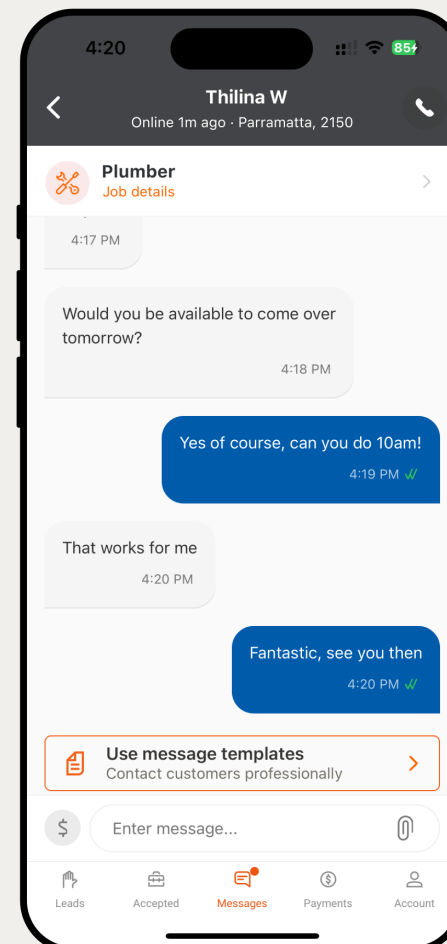
# Our hipages subscription tradie experience



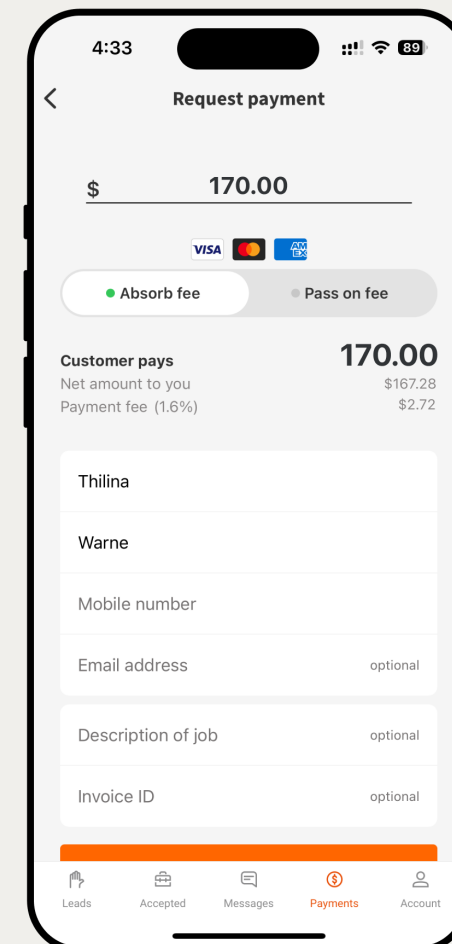
Adjusting lead settings



Browsing and accepting leads

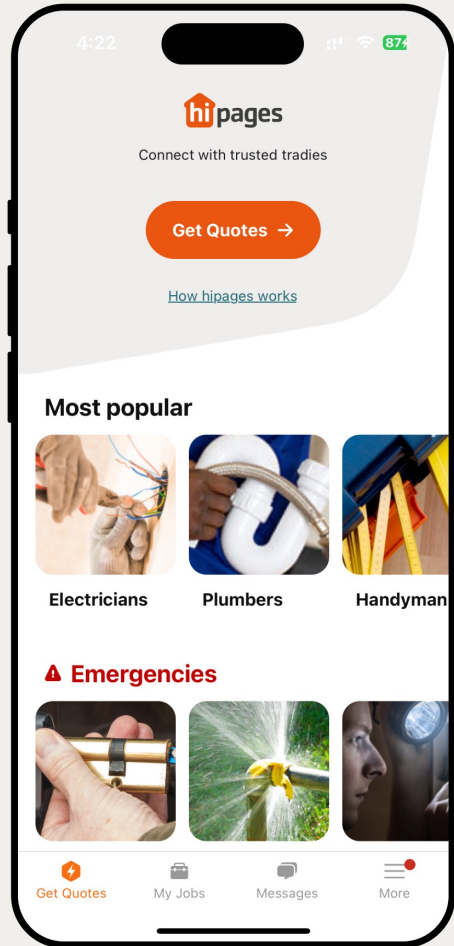


Contacting customers

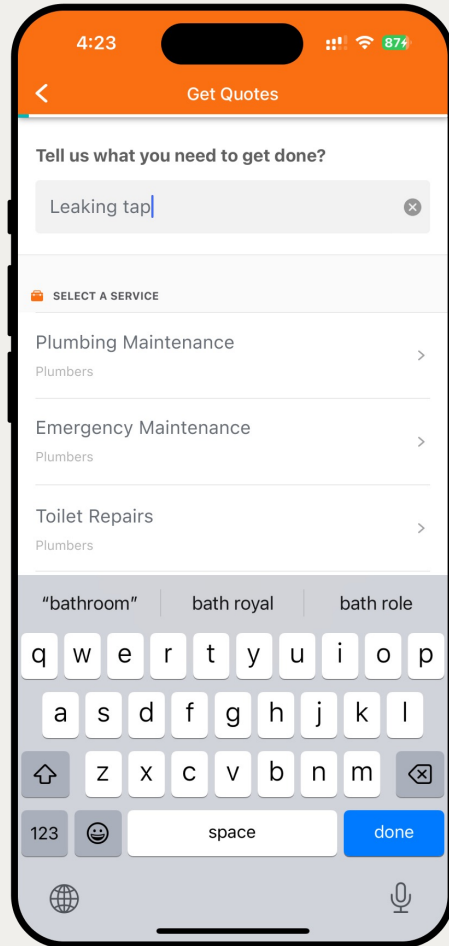


Getting paid

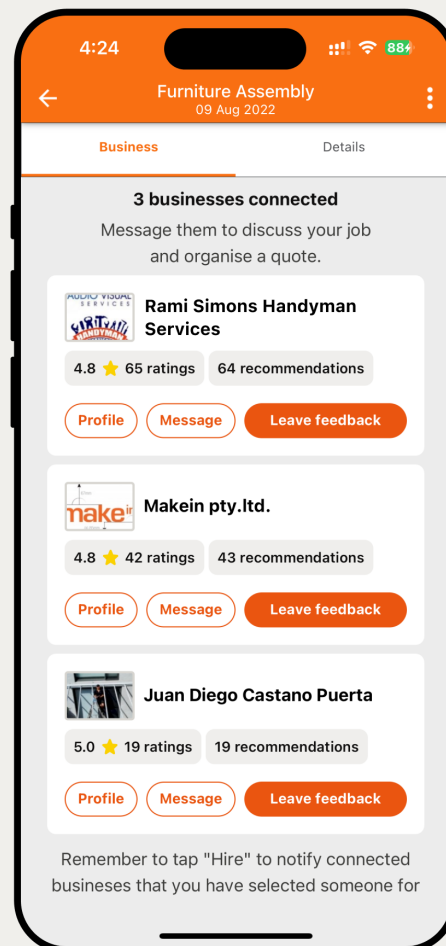
# Our hipages consumer experience



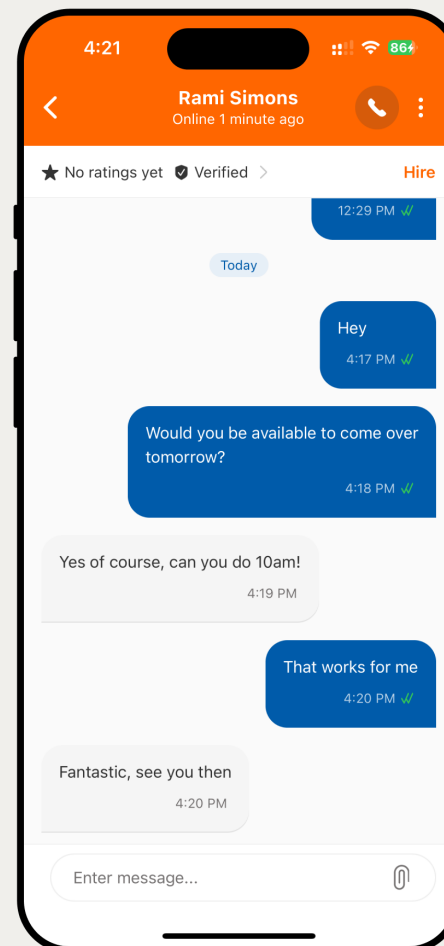
Welcome screen



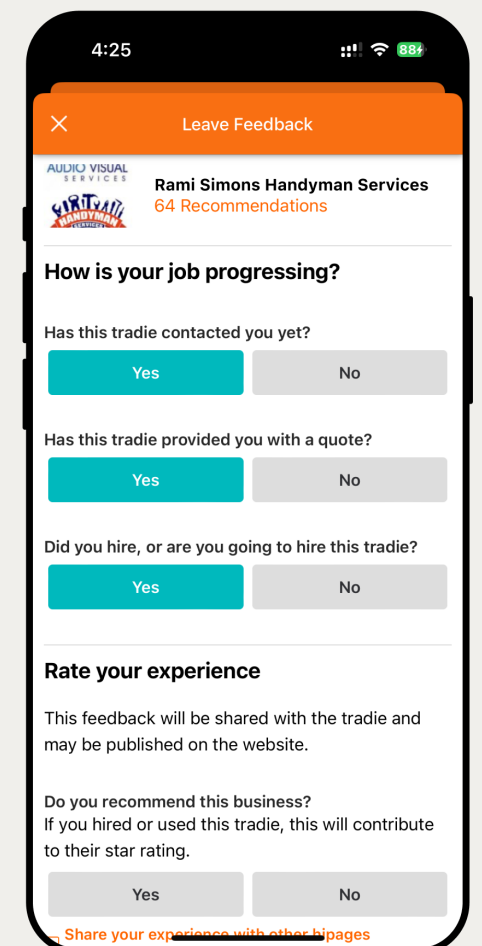
Posting a job



Choosing a tradie



Communicating with a tradie

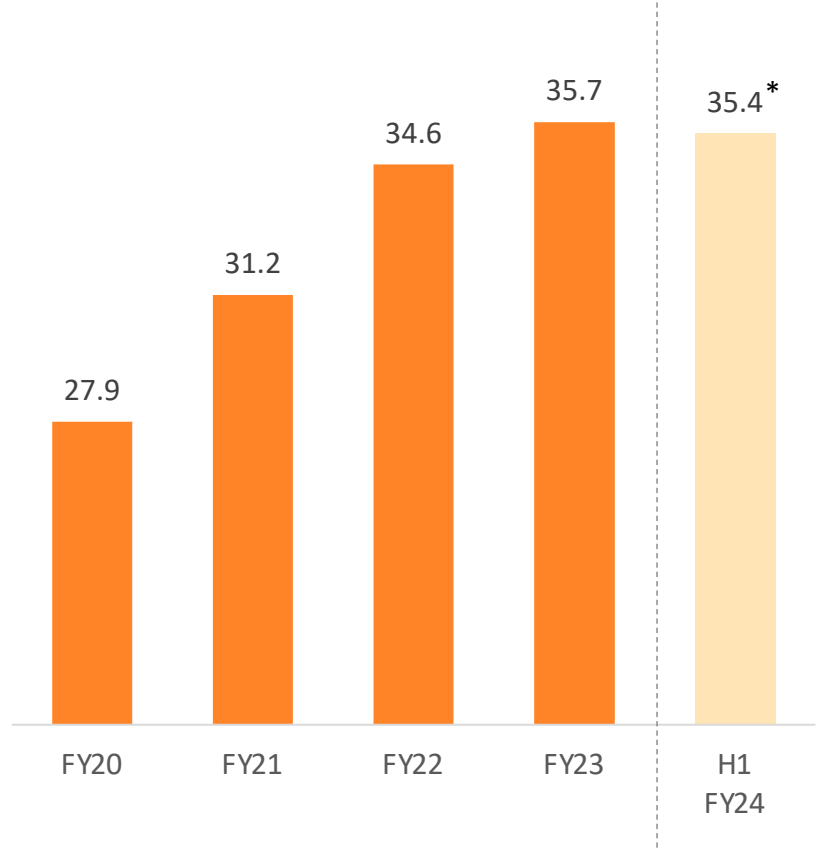


Rating the tradie

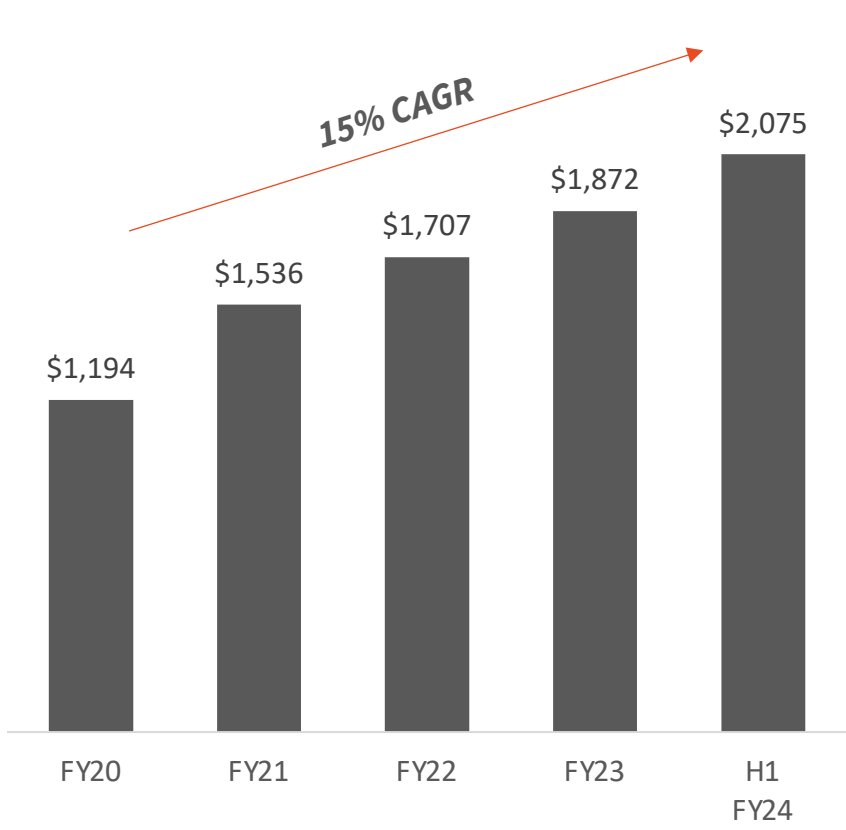
# We have grown our tradie base and driven subscription ARPU...



### Subscription Tradie numbers (AUS & NZ - in '000)



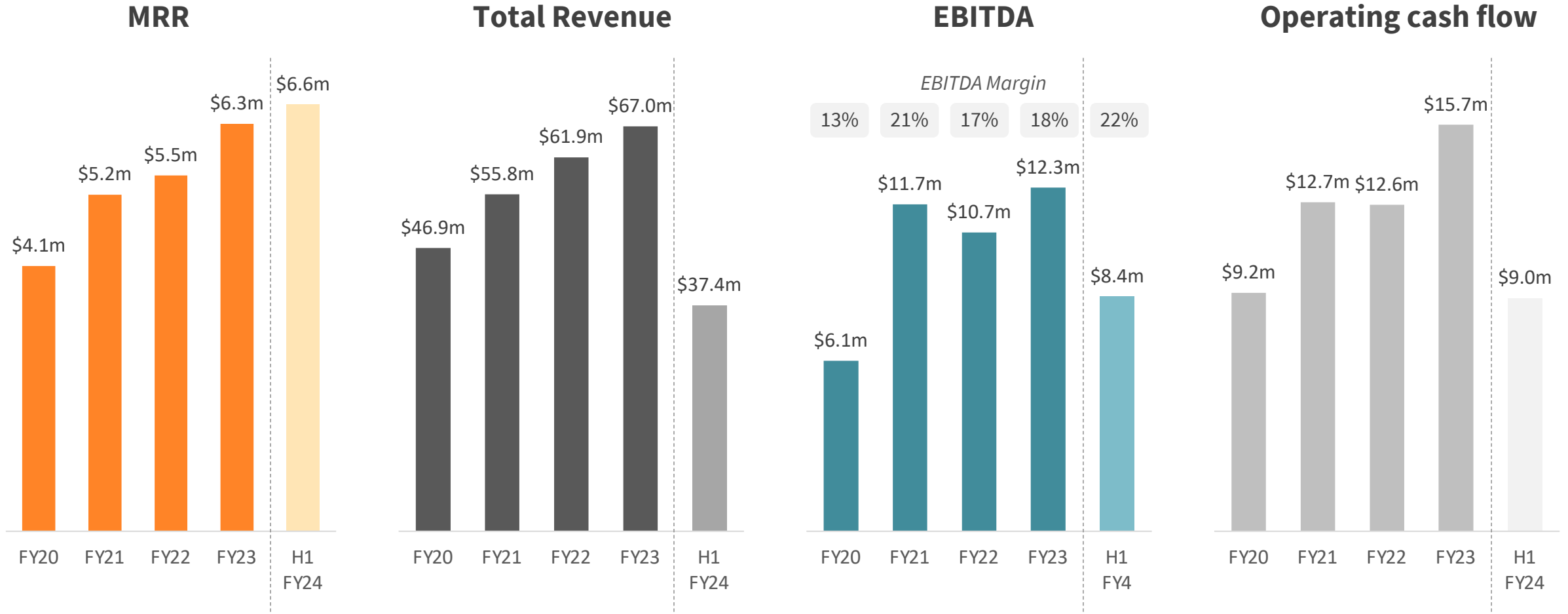
### ARPU (in \$ per tradie p.a.)



\*H1 Tradie numbers shows # Tradies at the end of December, which is a yearly seasonal low due to holiday season



...and delivered sustainable growth and strong FY24 momentum... 



Pro Forma Revenue, EBITDA and operating cash flow. Pro Forma EBITDA is before significant items.  
MRR or Monthly Recurring Revenue refers to the committed monthly subscription revenue from tradies (including GST) at the end of the period

# ...with significant marketplace optimisation opportunities



**Job growth:** increasing our share of Consumers home **improvement** & maintenance wallet



**Tradie/Consumer matching engine** (algorithm) continued optimisation



**Partner programs expansion**



**Tradie growth:** sales conversion funnel improvements



**Dynamic pricing** further evolution



**NZ marketplace** evolving to **full subscription model**

# We are driving our strategic evolution from marketplace to platform

## FY23-FY26+ roadmap

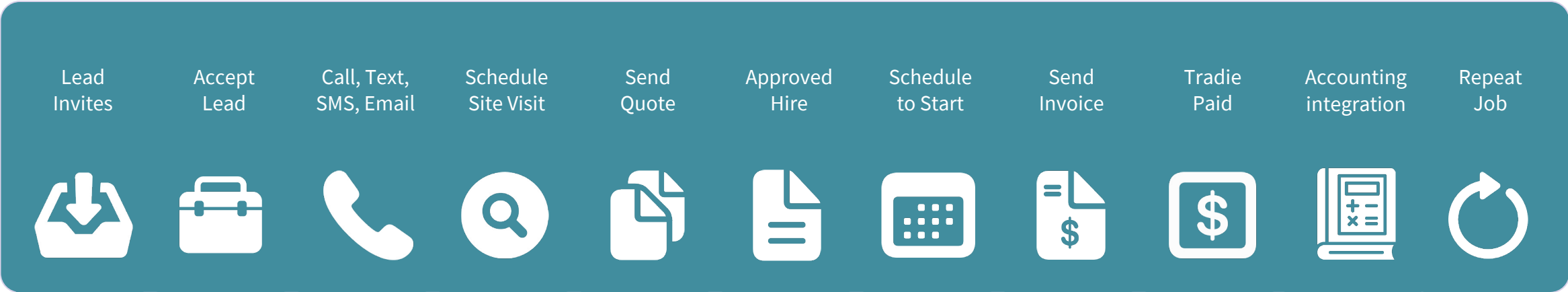


Current Business Focus

Our end-to-end platform will improve tradie growth and retention



# hipages tradiecore



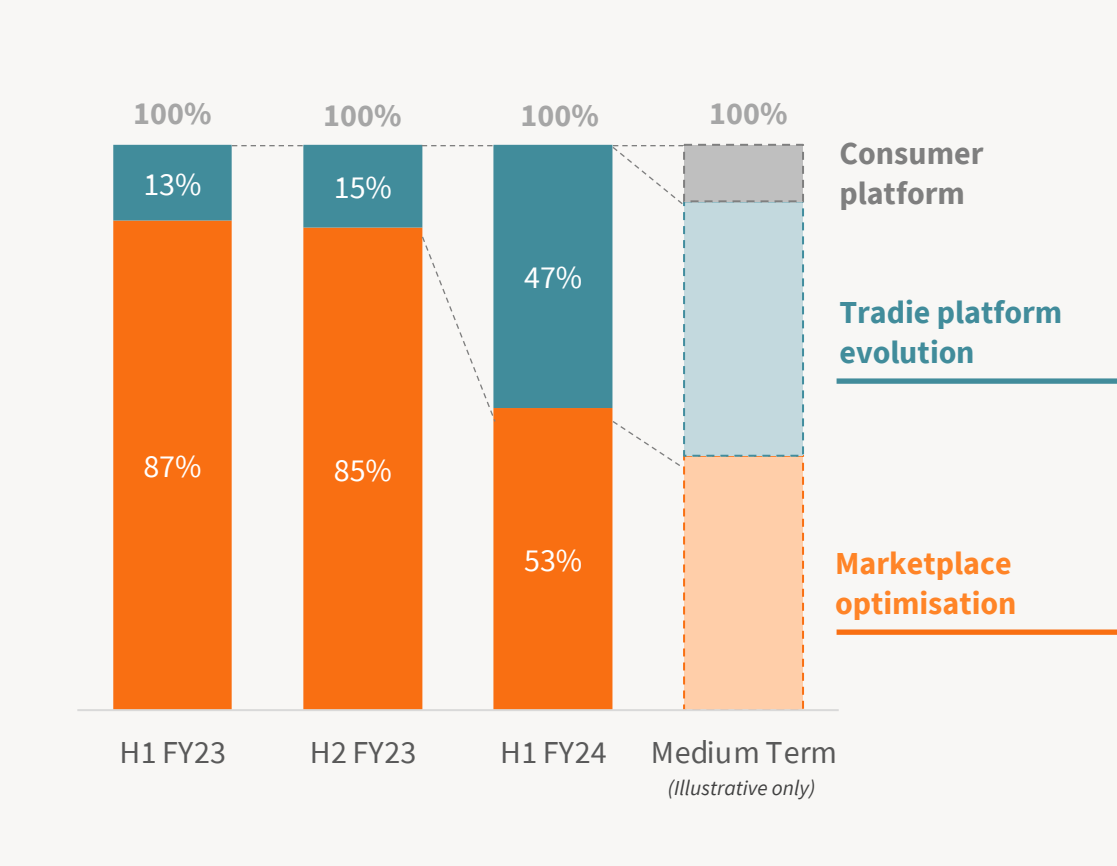


# Our tech investment is balanced across marketplace and platform



## Group Technology investment\* split by strategic priority

## H1 initiatives and product delivery highlights:



**Integrating features into the single tradie platform:**

- Lead management
- Partner leads (Ikea, DoE, etc)
- Lead settings
- Credit usage

**Adding & improving job management features:**

- Add Google reviews on profiles
- Made gallery improvements
- Tradie dashboard
- Self-serve BAS reporting

**Optimising the marketplace value proposition:**

- Lead price optimisation (AI powered)
- Job/tradie matching engine improvements
- Partner Pro
- AI enhanced job lead push notifications

\* Technology and software development investment based on profit and loss statement reporting, not reflecting actual timing of cash flows

# Our operating leverage delivers margin expansion and free cash



## Near and medium-term targets

	FY24 H1	FY24 target	Medium-term target <sup>1</sup>
Revenue growth	15%	Low teens %	Mid-teens %
EBITDA margin <sup>2</sup>	22%	~20%	>25%
Free cash flow	(\$0.1m)	Positive	Positive

1. Assuming no material deterioration in macroeconomic conditions impacting the Group's key markets  
 2. Pro-Forma EBITDA Before significant items

# Questions & Answers



# Disclaimer



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