



# Investor presentation

April 2018



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# Today's Presenters

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**Matthew Driscoll**  
Chairman

- Master of the Stockbrokers and Financial Advisers Association of Australia, Graduate member of the Institute of Company Directors and Senior Fellow of the Financial Services Institute of Australasia.
- Over 30 years' experience in the financial services industry across investment and capital markets, including analysis and evaluation of investment opportunities, transaction analysis, financial modelling, debt structuring, asset and equity valuation and due diligence.
- Matt has worked with numerous companies nurturing them from small enterprises to successful listed businesses.



**Colin Keating**  
CEO

- More than 20 years' CEO and senior leadership experience in building partnerships, sales, IT products and services, operations, payments, travel and financial services as well as wealth management.
- Colin previously held Managing Director and senior management roles in Australia, Hong Kong and the United Kingdom, with organisations such as American Express and Hogg Robinson Group and has included a focus on operations, business development, partnerships, acquisitions, technology, sales and transformational growth.

# 01 Executive summary

# Introduction

buyMyplace has grown substantially since listing and is currently one of the largest DIY real estate sales platform in Australia, attracting over 60,000 visitors each month

## Snapshot

- With a market capitalisation of \$10.8 million, buymyplace.com.au ('BMP') is one of Australia's largest do-it yourself ('DIY') commission-free real estate sales platform.
  - DIY listings in Australia (3% of the sales commission market, up 50% from two years ago) are trending towards other developed countries, in which DIY sales comprise 10–30% of the sales commission market.
- Launched in 2007 and listed on the ASX in March 2016, BMP has helped over 5,000 customers sell their house, saving an average of \$20,500.
  - BMP delivers a customer-centric approach to DIY property sales through choice, control, cost effectiveness and community.
  - BMP has achieved significant revenue and listings growth, with 50% p.a. revenue growth since listing.
- BMP is now implementing the next phase of its strategy to become the leading digital facilitator of property-related transactions in Australia:
  - Implementing the development of 'best-of-breed' technology enhancements, creating a genuine prop-tech platform.
  - Launching a comprehensive digital and social marketing campaign.
  - Leading acquisition and partnership discussions with several complementary rental, buyer services and ancillary service platforms.

Source: PRD Nationwide

Note: Market capitalisation as of 29 March 2018

## Get the price you want and save thousands in commissions

See how much you could **save!** selling privately!  
Enter your property value:  
**\$900k**

Typical fees & commissions\*  
**\$29,250**

You'll save\*\*  
**\$28,555**

\*Calculated at 2.25% commission + 1% marketing fees of house sale price.  
\*\*Calculated on 3.25% minus \$695 buyMyplace The Basic Package.

**SELECT YOUR PACKAGE**

### GET LISTED ON THESE MAJOR PROPERTY PORTALS



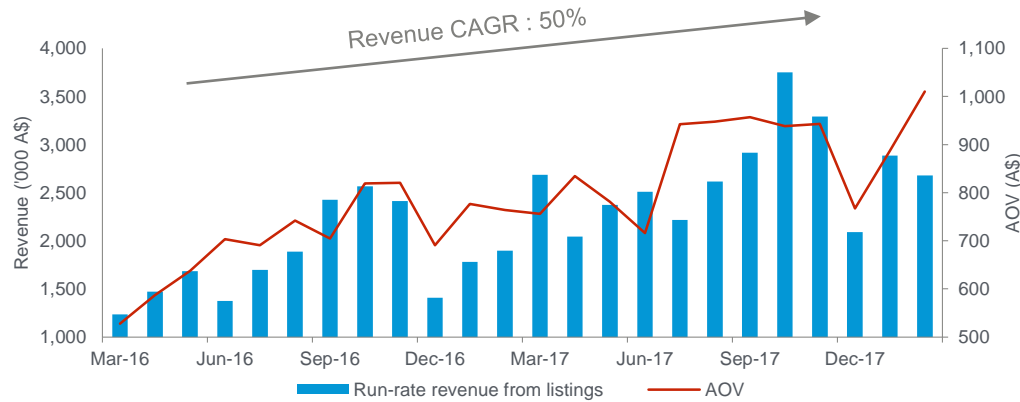
1. Last 12 months web traffic average

2. Corresponds to packages sold over the last six months

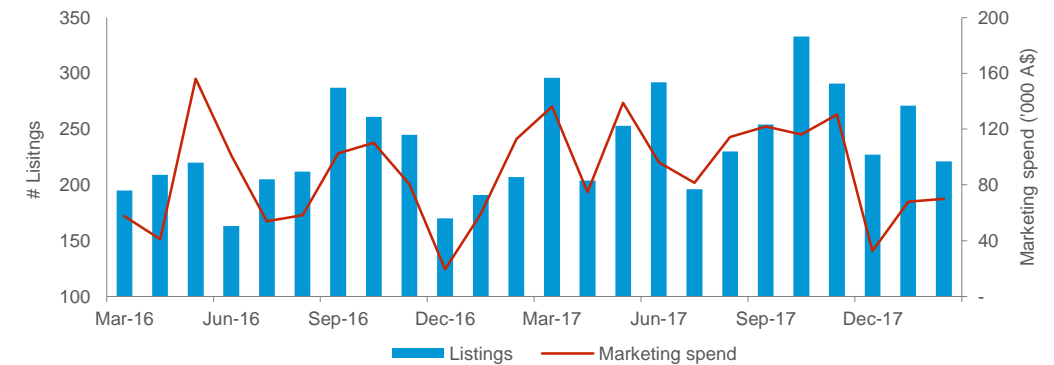
# Performance since listing

Since listing in March 2016, BMP has continued to build a strong customer service team, refine marketing efficiency and effectiveness and develop higher value products to drive significant traffic, listings and revenue growth

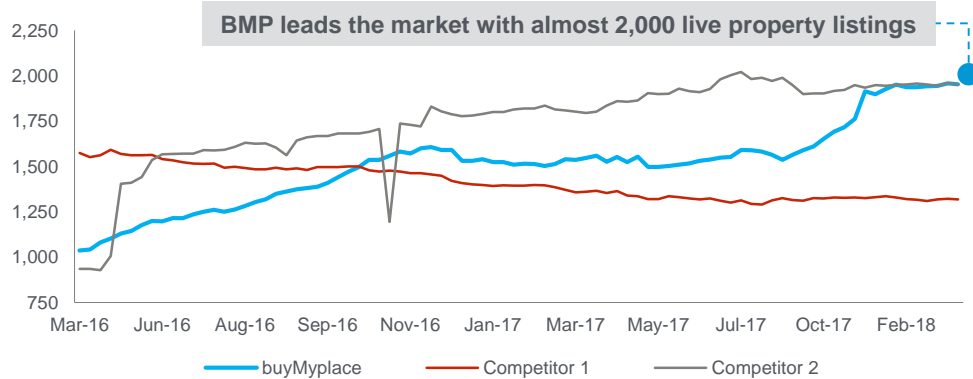
## Consistent revenue and average order value ('AOV') growth



## Listings growth linked to marketing spend



## Growing market share (weekly evolution of live listings)

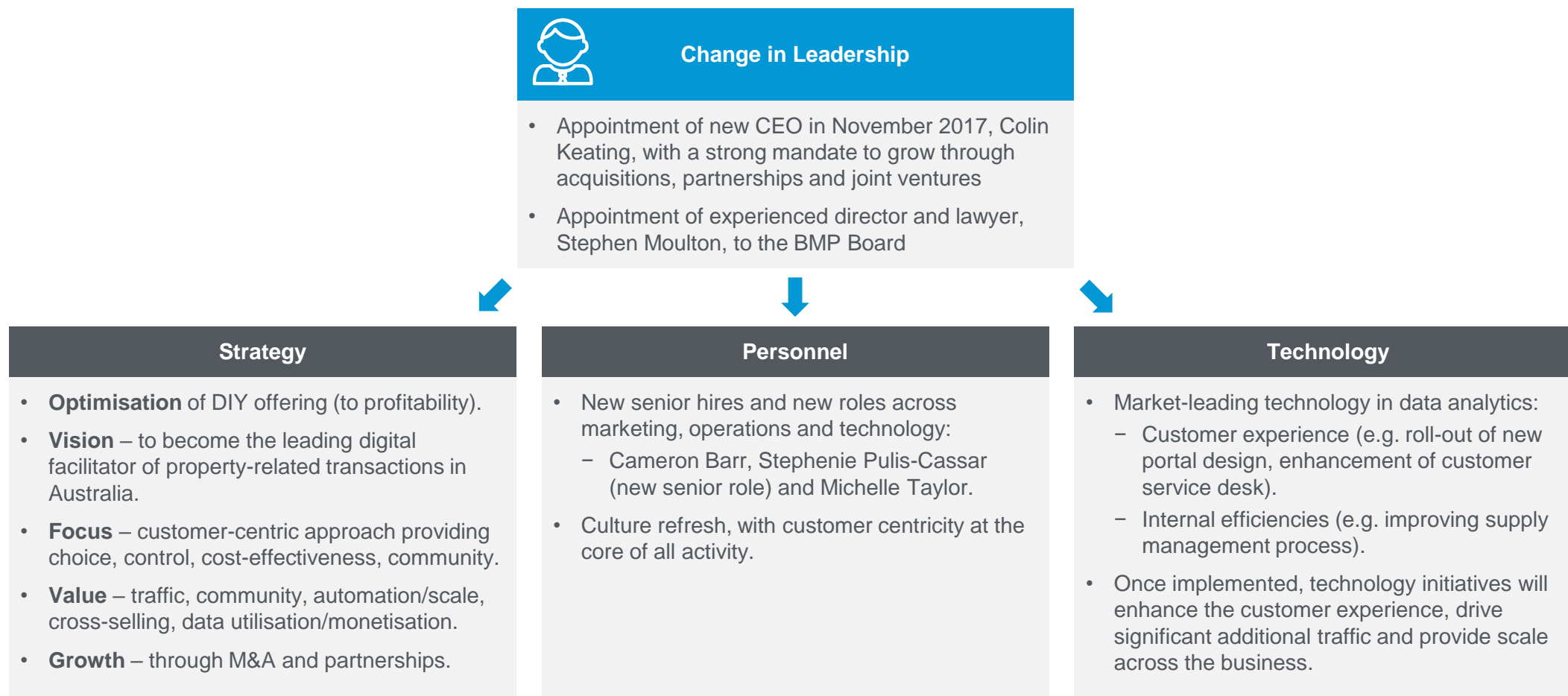


- ✓ BMP is one of the leading DIY sales platform in Australia, consistently overperforming its competitors in listings growth.
- ✓ Significant revenue growth since listing, achieving a 50% CAGR throughout the period March 2016 to February 2018.
- ✓ Revenue has been driven by the increase in the number of listings and customer order value, which has more than doubled since March 2016.
- ✓ BMP's focus on promoting the brand through marketing and media campaigns has led to a leading position in the market, ultimately resulting in an increase of web traffic and number of listings.

Note: Revenue excludes other non-operating income

# Recent developments

To facilitate the next stage of BMP's growth, the Board has appointed a highly experienced, growth-focused CEO, approved an accelerated growth strategy (leveraging BMP's dominance in DIY and undertaking value accretive acquisitions) and approved the implementation of market-leading technology



# 02 DIY business update



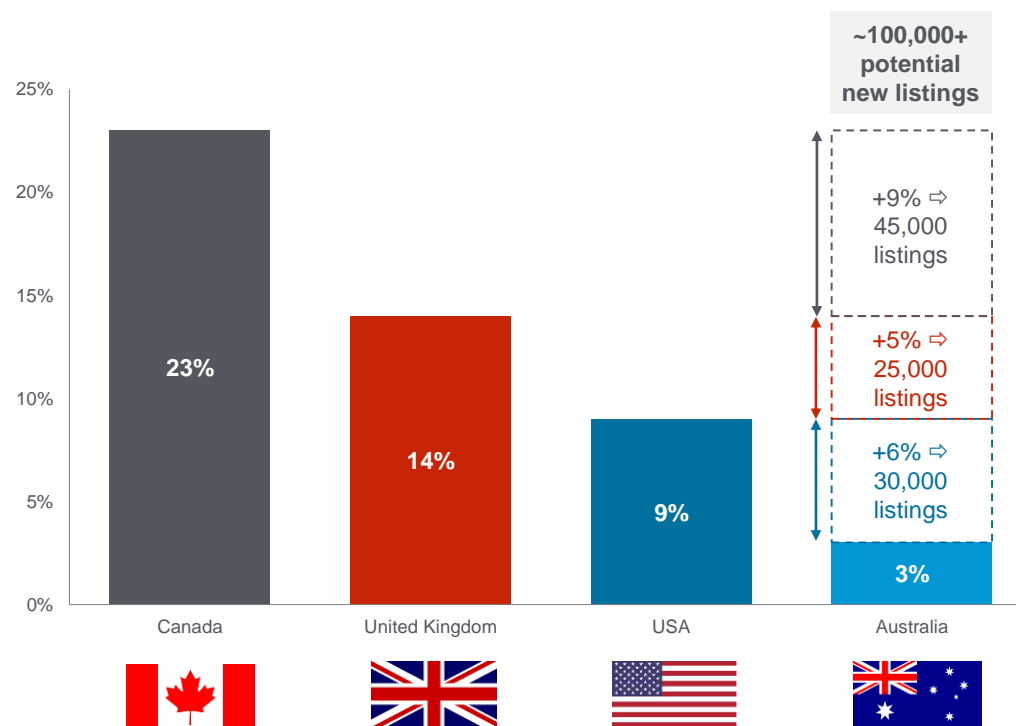
# Market opportunity

With commission-free listings rapidly winning market share, BMP, as one of the leading DIY sales platforms, is in a strong position to significantly increase its listings on the back of this industry dynamic

## Real Estate Services Market

- The real estate services market in Australia is worth an estimated \$14.2 billion, with \$9.5 billion from property sales alone.
- DIY listings experience in Canada, the UK and the USA suggests significant growth potential for the DIY market in Australia.
  - Currently only 3% of listings are DIY in the Australian market, an exceptionally low number compared to these international markets.
  - If DIY listings in the Australian market matched Canada, this would equate up to an additional ~100,000 DIY listings and BMP is well placed to win a significant share of these additional listings.
- While there is currently a slow down in residential property listings across the Australian real estate sector, DIY and commission-free disruptors continue to win market share from the established commission-based providers – the DIY and commission-free segments are continuing to grow.

## DIY listings (% over total real estate listings)

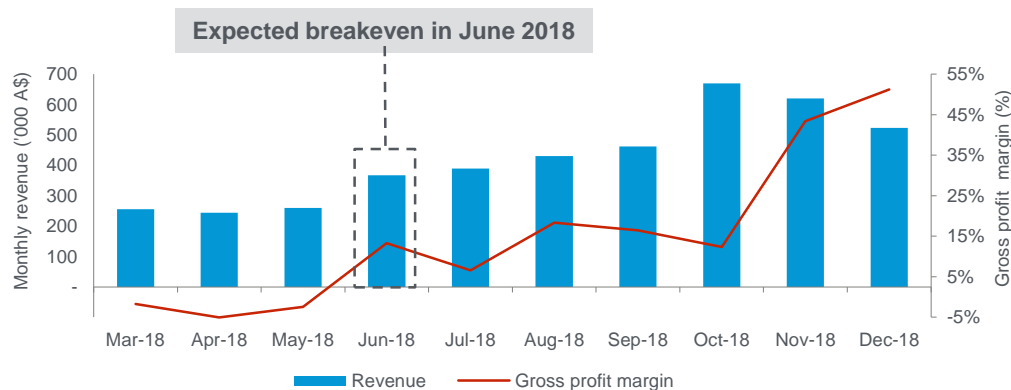


Source: CoreLogic, IBIS Reports

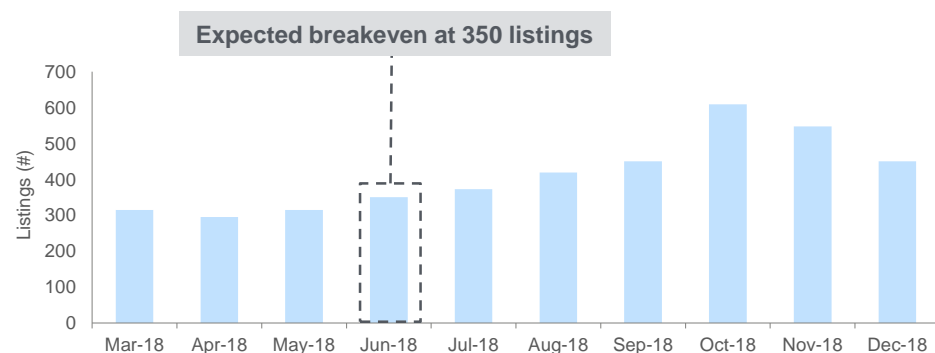
# DIY expected to be profitable in the short term

DIY operations (before corporate overhead) are expected to achieve breakeven within the next four months driven by the new marketing and technology initiatives

## Revenue and profitability of DIY operations (March – December 2018)



## Top line growth (# of listings, March – December 2018)



Note: DIY profitability measured as gross profit (excluding other non-operating income), prior to BMP corporate overhead and assuming investment in technology, PR and rollout of financial services

## Highlights and observations

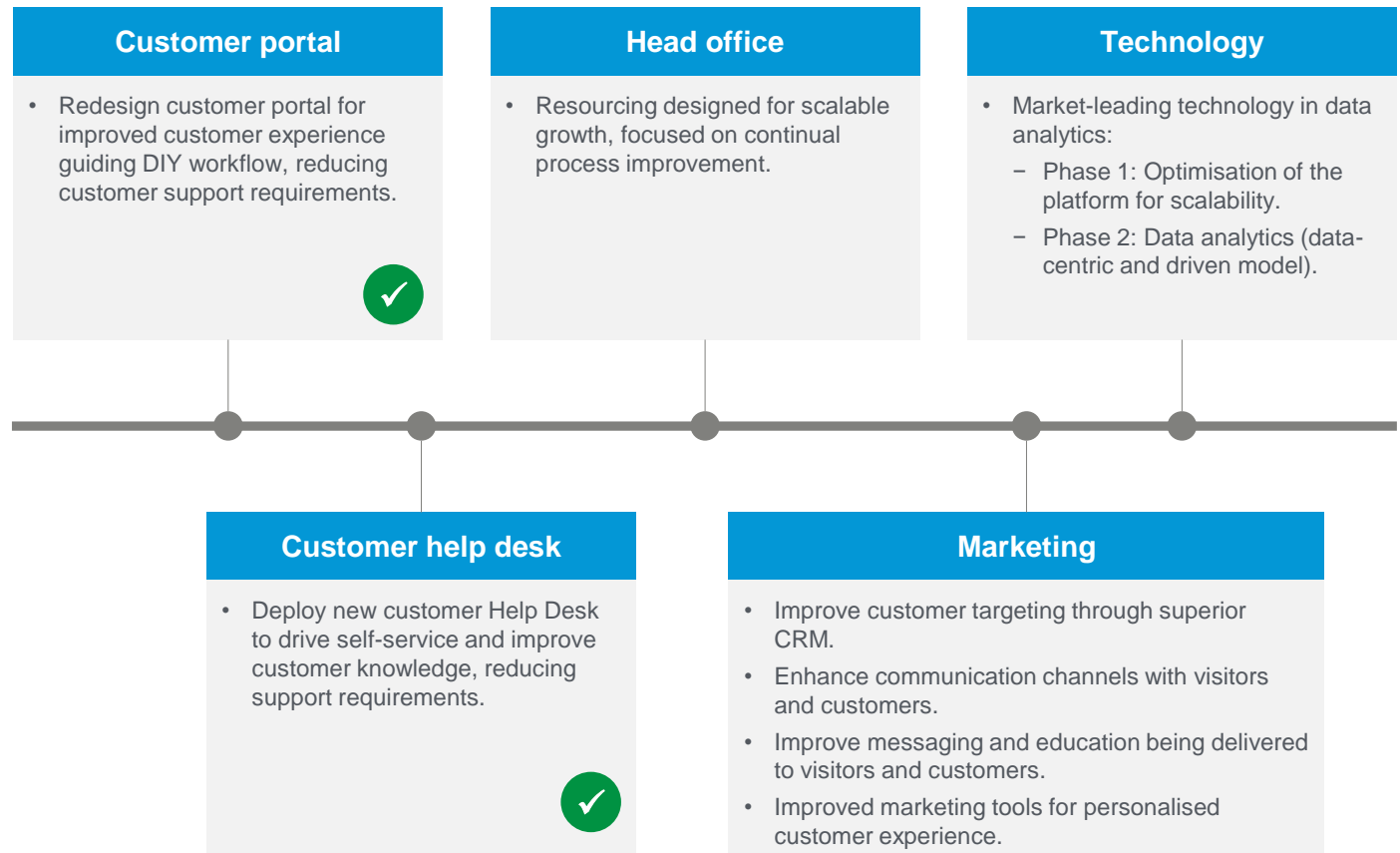
- BMP is working on the rollout of strategic projects in marketing and technology, alongside the rollout of financial services operations, which is expected to ultimately result in DIY operations breaking even in June 2018 and better position the business to capitalise on these growth initiatives.
- The projects will comprise IT, website, platform integration and PR upgrades with a required investment of \$390,000, \$450,000 and \$300,000 respectively over the next 16 months through to June 2019.
  - Digital and media agency initiatives expected to drive top line growth through the increase in web traffic, lead generation and lead quality.
  - IT and integration enhancement expected to drive operating efficiency.
  - PR and communications initiatives expected to support the marketing function and will be focused on raising the profile of BMP in the property marketplace.
- Breakeven expected to be achieved at 350 listings per month.

# Initiatives to optimise DIY

Profitability for the DIY business will be achieved by first establishing the foundations for scale, then running the new digital marketing campaign to further leverage implementation of the critical technology upgrade initiatives

- The DIY offering remains the core of the business and has been the focus of optimisation, enabling a scalable business to support significant growth and be in a position of break even<sup>1</sup> within 4 months.
- Data analytics will drive a personalised customer experience, leveraging BMP's rich data set of over 5,000 properties sold through the DIY offering.
- Targeted digital campaigns should increase market awareness, generating more visits organically and higher quality lead generation.

## Key initiatives

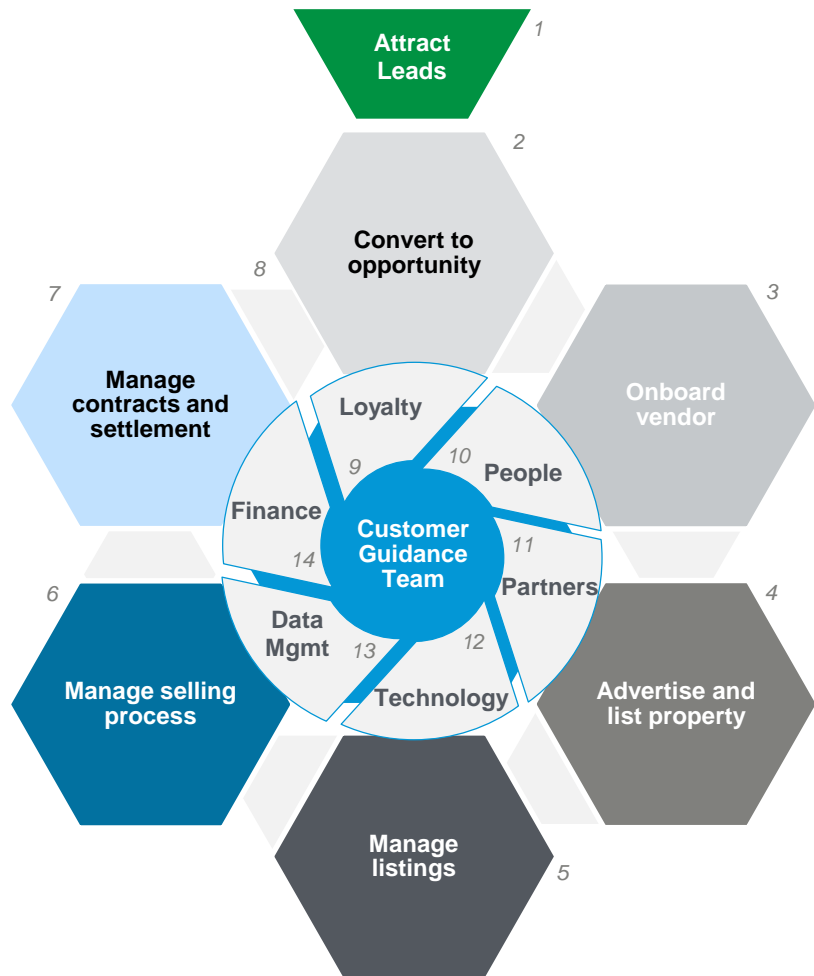


 Updated versions already delivered

1. *DIY profitability measured as gross profit (excluding other non-operating income), prior to BMP corporate overhead and assuming investment in technology, PR and rollout of financial services*

# Focus on technology and automation

The investment in integrating established scalable technology and bespoke innovative solutions is expected to translate into significant listings growth and operational efficiencies to optimise the DIY process



- 1 Integrate HubSpot and Dynamics to personalise customers journeys and increase lead conversion.
- 2 Improve Zendesk phone, email and online support plus better data security and integration to Dynamics.
- 3 Enable online payment processing for alternative payment methods. Reduce data entry duplication (Dynamics, website, Agent Point). Better workflow in Dynamics and customer onboarding in portal.
- 4 Redesign customer portal and integration with Agent Point to support customer journey with BMP.
- 5 Integration with ABC Photosigns to remove duplication of data entry between advertising and marketing materials.
- 6 Enable upsell online for customers (e.g. automate upsell workflow, enable customers to build personalised packages).
- 7 Improve and reduce duplicate data entry for conveyancing. Integrate systems and processes to BMP portal. Streamline customer ID verification process.

- 8 Enable returning customer to purchase online, reducing customer confusion. Remove manual payment processing with better bank integration.
- 9 Implement customer loyalty program to reward returning customers and integrate into solution.
- 10 Better communication of improvements, agree company values for the team and rewards.
- 11 Redesign customer portal and integration with Agent Point to support customer journey with BMP.
- 12 Build stable technology platform, replace high risk systems and leverage current suppliers integrations. Re-platform website as key automation tool.
- 13 Identify key business metrics required and automation the production of these reports/data sets. Build out data analytics for personalised customer experience.
- 14 Remove manual reconciliation from Stripe, NAB, emails and Xero, with single form of invoice generation. Stand up improved accounts receivable process for all payment types.

# Focus on digital marketing

Marketing initiatives are expected to drive substantial revenue growth and will continue to educate the market on BMP's value proposition

## Sales funnel – current state

Step	Category	Description	Value	Key short term sales initiatives
01	Web traffic	Visitors that navigate through BMP's website.	60,000 sessions	<ul style="list-style-type: none"> <li>Increase web traffic through digital and media agency review.</li> <li>Increased target market coming to the website through improved strategies in-conjunction with new digital and media agencies.</li> </ul>
02	Leads/enquiries	Visitors that fill out enquiry forms and are consequently contacted by BMP's representatives.	1,200 (2%)	<ul style="list-style-type: none"> <li>HubSpot: CRM tool to enhance customer understanding and targeting, ultimately resulting in better communication with customers.</li> </ul>
03	Disqualified leads	Visitors that do not qualify as potential BMP clients.	500 leads (42%)	<ul style="list-style-type: none"> <li>HubSpot.</li> <li>Further sales channels through acquisitions and partnerships to turn disqualified leads into qualified leads.</li> </ul>
04	Qualified leads	Visitors who are looking for services offered by BMP.	700 leads (58%)	<ul style="list-style-type: none"> <li>Sales platform re-designing (Dynamics process, data mining, customer experience).</li> </ul>
05	Conversion to \$\$	Number of clients that end up listing their properties through BMP – includes listings of properties both on sale and on lease.	200-300 leads (29-43%)	<ul style="list-style-type: none"> <li>Data strategy: sales team to better promote BMP's offering (upsell opportunities), understand the market and improve BMP's sales pitch.</li> <li>Sales team accountability: new contracts being arranged, including KPI's and new commission structure.</li> </ul>
06	Revenue	Revenue generated by the listings with an average order value within \$800-900.	\$200,000 – 300,000 p.m.	<ul style="list-style-type: none"> <li>Sales team to ultimately increase the average order value, which currently sits within \$800-900.</li> </ul>

# 03 Growth opportunities

# Achieving BMP's potential

Continued volume growth is paramount to BMP's success

- BMP must be positioned to capture more of the DIY market share to drive profitability.
- The technology platform is able to handle a significant increase in scale with only a modest additional investment.
- An optimised marketing campaign across both traditional and digital channels will be key to delivering growth.
- Successful execution of M&A activities will realise a diversification of revenue models, drive synergised savings across entities and realise new lead generation capabilities from 'service to service'.

## BMP's growth strategy

- ✓ Build awareness and grow DIY segment.
- ✓ Increase traffic, listings and market share through both executed and planned strategic initiatives.
- ✓ Increase share of wallet – up-sell additional services (cross sell into new services – M&A success).
- ✓ Continual focus on innovation in the DIY space (technology-led initiatives supporting the DIY vendor).
- ✓ Consider synergistic acquisitions and partnerships (drive value, revenue and education).
- ✓ Diversifying the revenue model by opening up the 'buy' side of the transaction.

## Achieving the growth strategy

### Continue marketing campaign

Continuing to educate the market on BMP's value proposition to drive increased listings.



### Partnerships

Continue to form partnerships with other service providers in the real estate industry.



### M&A activity

Consider strategic acquisitions with an established presence and track record.

Requirement for additional capital

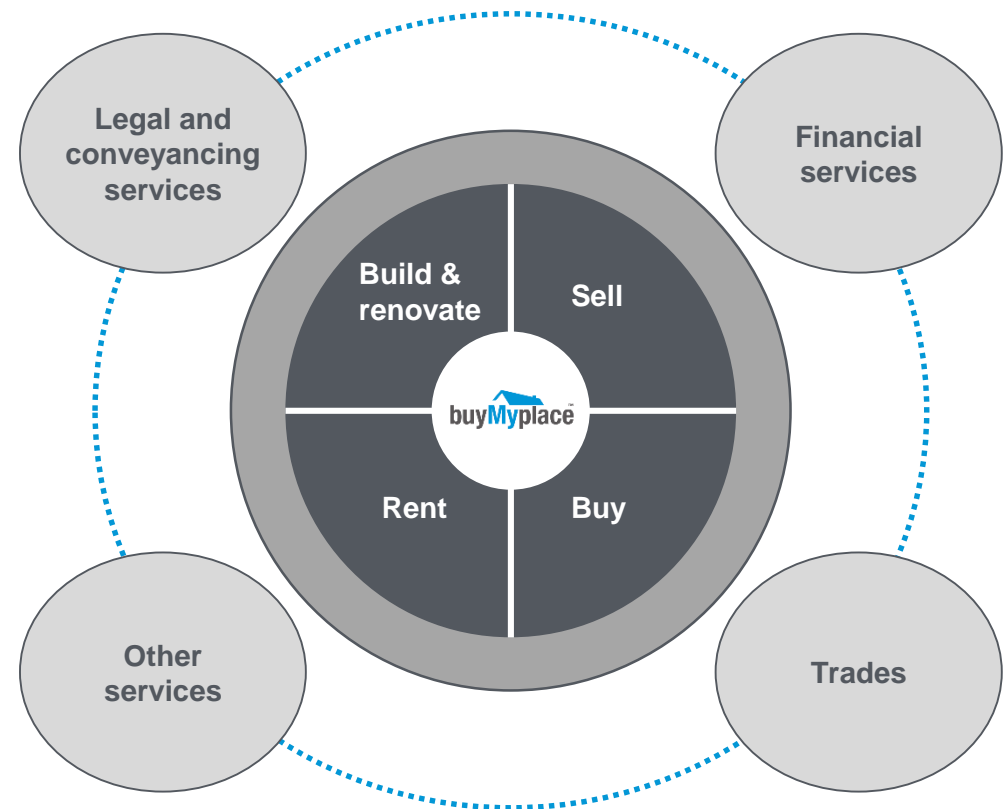
# Evolution of strategy

As a genuine disruptor of the traditional and fixed price real estate agency market, BMP's vision is to become the leading digital facilitator of property-related transactions in Australia

## Overview of strategy

- BMP's strategy has evolved with market developments (and opportunities), technology advancements, BMP's significant traffic growth and monetisation and customer requirements.
- Over time, BMP goal is to be a "one-stop hub", with a centralised platform that will provide customers with the means to complete major property transactions (sell, rent, buy, build and renovate) and conveniently access high quality ancillary products and services.
- The platform will provide a customer-centric real estate ecosystem, also acting as a community through which real estate requirements can be managed more transparently and efficiently.
- This strategy will deliver significant value above the existing DIY business of BMP:
  - Increased customer touch points and frequency of usage.
  - Increased traffic conversion.
  - Data utilisation and user-customisation for enhanced customer experience.
  - Significant cross-sell and monetisation opportunities.
  - Data monetisation associated with usage and communities.
  - Core acts as an information and education hub.

## BMP's ecosystem

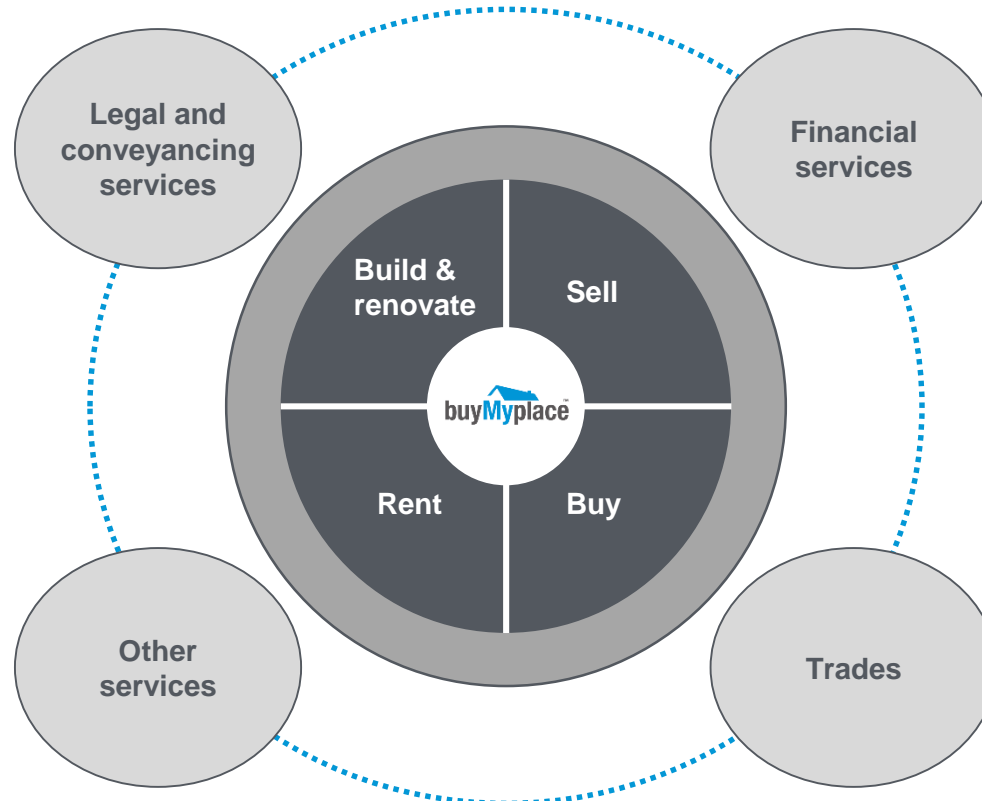
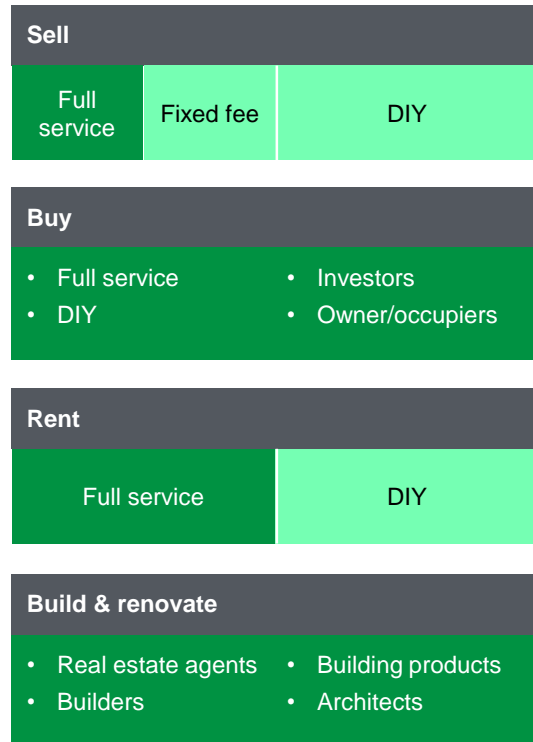




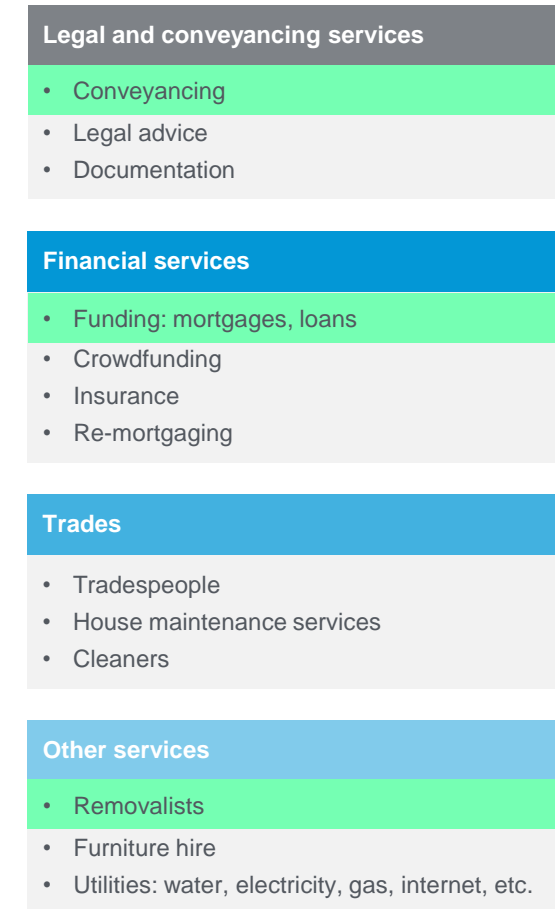
# Significant growth opportunities

The strategy provides BMP with significant opportunities for growth through acquisitions and partnerships which, in turn, will facilitate significant cross marketing and lead generation capabilities

## Main property-related transactions



## Ancillary services



■ BMP current capabilities  
■ Short term opportunities – acquisitions and partnerships

# Acquisition opportunities

Active acquisition opportunities are highly accretive, with the potential for up to \$16 million in additional revenue

## Aggregation and consolidation

- BMP is currently in a number of discussions with potential merger partners and acquisition targets.
- Aggregating different real estate platforms will allow for cross-sell opportunities, while increasing market awareness and ultimately generating more visits organically as well as having visitors spending longer on site.
- Productive meetings have been held with different targets to assess their potential technical, functional, cultural and financial fit.
- If these transactions proceed, BMP anticipates completion in June/July:
  - Indicative offers have been discussed with five targets and HOAs are currently being negotiated.
  - Up to \$16 million potential additional revenue in year one.
- Significant "transformational" benefits:
  - Expected re-rate of the business due to size and scale.
  - Significant increase in investor universe, liquidity and free float.

## Overview of targets

Targets (business model)	Overview	Rationale
<b>New home/land comparison site</b>	<ul style="list-style-type: none"> <li>• Connects property buyers with builders/developers.</li> </ul>	<ul style="list-style-type: none"> <li>• Convenient</li> <li>• Flexible</li> <li>• Scalable</li> <li>• Complementary portfolio</li> </ul>
<b>Full service referral site</b>	<ul style="list-style-type: none"> <li>• Offers search engine of real estate agents for properties' sellers.</li> </ul>	<ul style="list-style-type: none"> <li>• Convenient</li> <li>• Flexible</li> <li>• Scalable</li> <li>• Complementary portfolio</li> </ul>
<b>New properties, renovation, decoration, house keeping services</b>	<ul style="list-style-type: none"> <li>• Marketplace that offers services from house building and refurbishment to housekeeping services.</li> </ul>	<ul style="list-style-type: none"> <li>• Low cost</li> <li>• Convenient</li> <li>• Flexible</li> <li>• Scalable</li> <li>• Complementary portfolio</li> </ul>
<b>DIY property management platform for owners, renters and tradies</b>	<ul style="list-style-type: none"> <li>• Enables customers to manage their properties, from rentals to ancillary services.</li> </ul>	<ul style="list-style-type: none"> <li>• Convenient</li> <li>• Flexible</li> <li>• Scalable</li> <li>• Complementary portfolio</li> </ul>
<b>Property investment platform</b>	<ul style="list-style-type: none"> <li>• Provides property investors online tools to analyse investment opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>• Low cost</li> <li>• Convenient</li> <li>• Flexible</li> <li>• Scalable</li> <li>• Complementary portfolio</li> </ul>

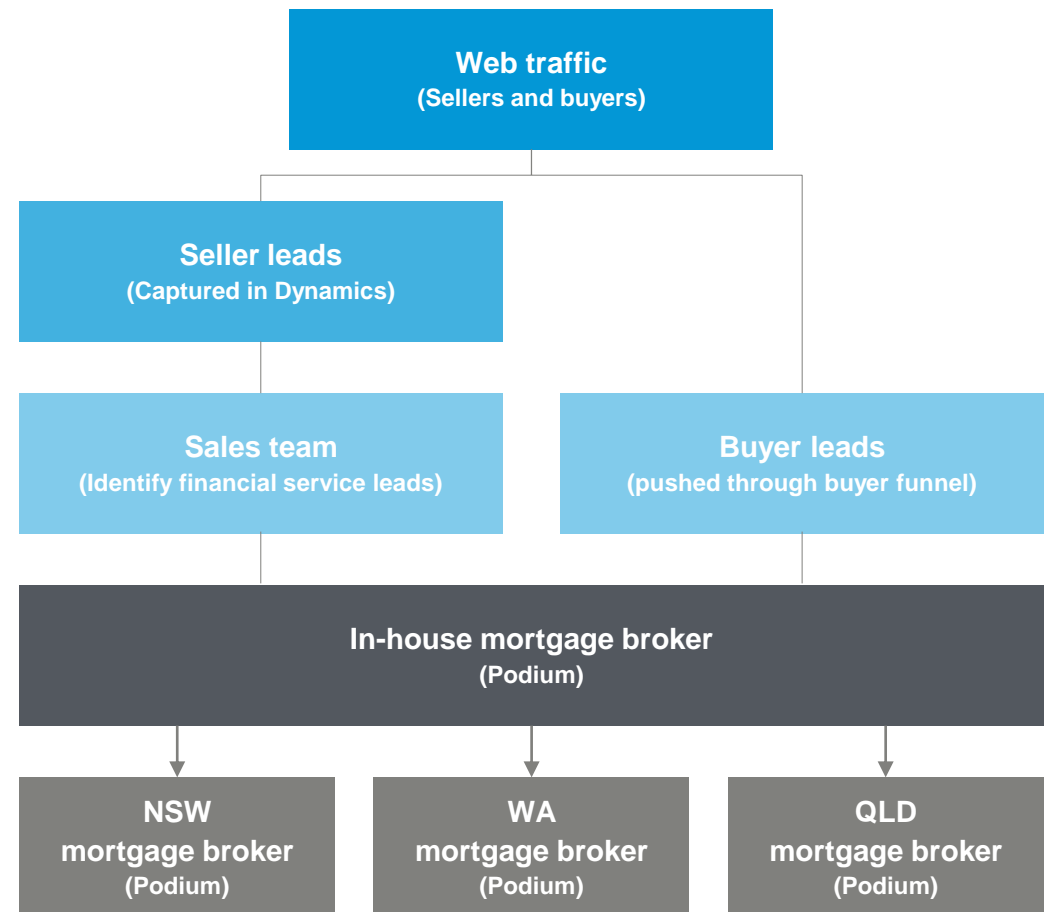
# Financial services

BMP is developing a financial services business to provide buyers and sellers with access to mortgages, insurance and financial planning

## Overview

- BMP's financial services strategy has evolved from the large percentage of buyer traffic (30%), that currently visits the BMP website on a monthly basis.
- BMP has partnered with Choice Aggregation to deliver the service. Owned and backed NAB, it has been operating for over 20 years, with a strong reputable licence, strong security in trail protection and best-in-class systems.
- Podium is the software provided by Choice to manage this process, an end-to-end business management and reporting solution that includes a fully integrated CRM and exceptional marketing capability, through which customers will have access to over 30 lenders.
- BMP's current CRM (Dynamics) will integrate seamlessly into Podium to deliver all buyer leads.
- BMP will invest in a full time in-house mortgage broker in Melbourne, who will serve all buyer leads generated from the website and those identified by the sales team.
- Under this model, BMP will retain 100% of upfront commissions and 100% of the trail, while also having access to mortgage brokers in NSW, WA and QLD through Choice.
- Under this model, BMP will retain 30% of upfront commissions and 100% of the trail.

## Financial services sales funnel process



# Partnership opportunities

BMP has numerous partnership opportunities to provide complementary services to buying, selling and maintaining properties and consequently expanding the customer lifecycle

## Key current partnerships

Partner	New process
<b>Moving hub</b>	<ul style="list-style-type: none"> <li>Automated email promotion through HubSpot to all vendors who update their status to sold.</li> <li>BMP to receive \$50 on all leads that convert.</li> </ul>
<b>Before you bid</b>	<ul style="list-style-type: none"> <li>Building and pest inspection and strata report upsell built into initial sales call and further welcome and congratulations call.</li> <li>BMP to receive \$50 on all leads that convert.</li> </ul>
<b>Changing Places</b>	<ul style="list-style-type: none"> <li>Referral relationship for those customers currently seeking a full service real estate agent.</li> <li>Changing Places embraces disruption through the use of a fixed fee model (akin to Purplebricks and upsell).</li> </ul>

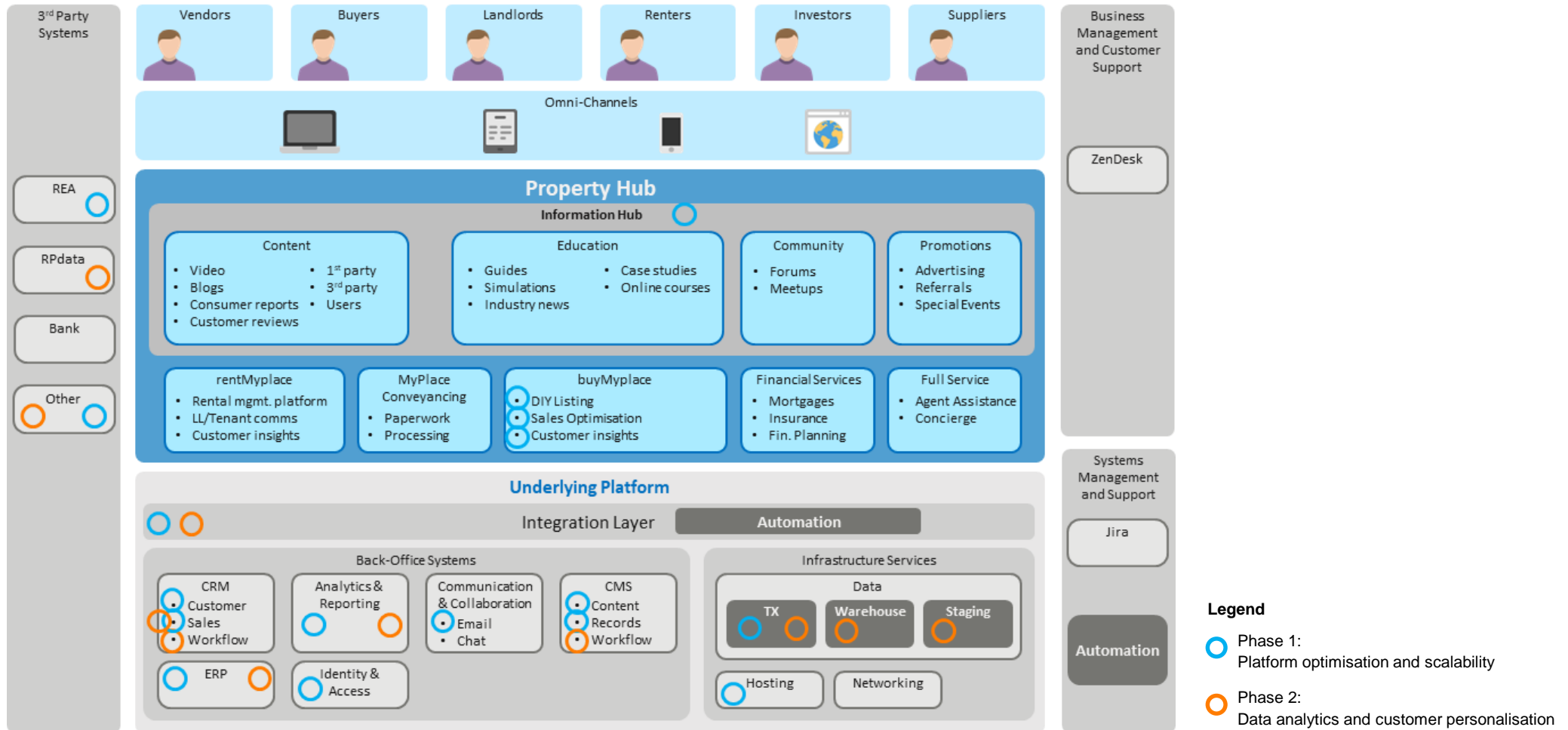
## Future partnership opportunities

Partner	BMP opportunities
<b>New home/land comparison sites Before you bid</b>	<ul style="list-style-type: none"> <li><b>Land listing option:</b> BMP to be provided with land vendors with the option of selling their land through the partner network as part of a home and land package. 10-15% of listings with BMP are currently land only.</li> <li><b>BMP Mortgage Customers:</b> BMP to provide any leads via the BMP Mortgage Division that are interested in a home and land package to partner. BMP to receive fees for any leads that go on to purchase a home and land package.</li> <li><b>RMP investors:</b> identify RMP vendors who may be interested in further property investment and send them through to the partner as a lead. BMP to receive fees for any leads that go on to purchase a home and land package.</li> <li><b>Home &amp; Land Listings:</b> partner to list their home and land packages on the BMP 'Search Properties' page. BMP to receive fees for any leads that go on to purchase a home &amp; land package.</li> </ul>

# 04 Prop-tech capability

# Advanced technology strategy

The core of BMP will be positioned for significant traffic growth and seamless integration of services, operating as a “one-stop property hub”, with a centralised platform that will provide customers with the means to undertake major property transactions



# Technology architecture addresses customer requirements

Customer centric technology will enhance customer experience and generate significant efficiencies for BMP

## Personalised customer centric solution design

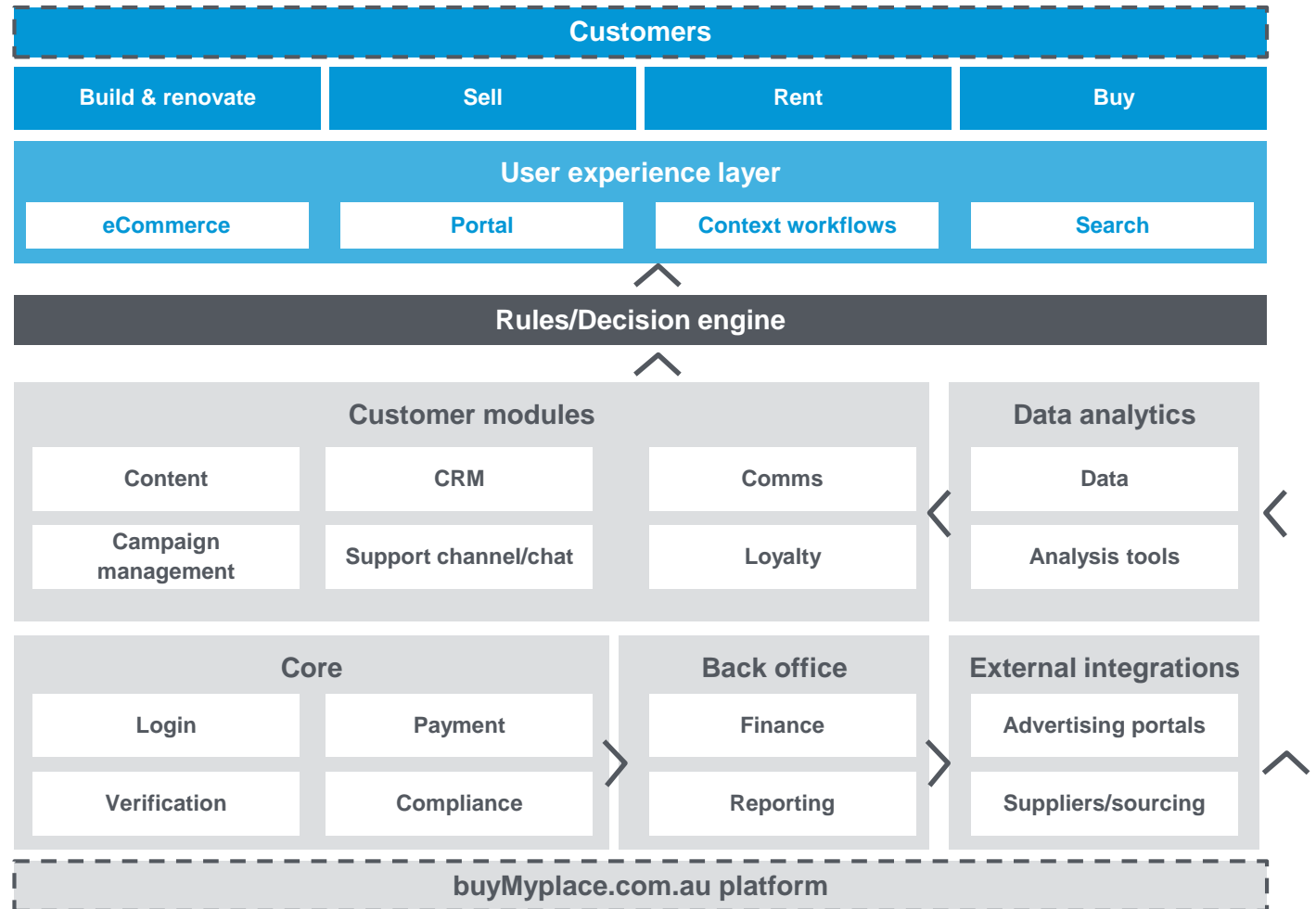
- Reduction in effort to achieve success
- Guided to personal circumstances
- Using decisions based on data analytics
- Mobile responsive solution design
- Context aware functionality (role, channel, life-cycle state)

## Intelligent technology design

- Common services for reusability across all produce sets
- Common toolsets drive low internal staffing requirement
- Cloud based components requiring low internal maintenance
- Stable and robust core systems as foundations
- Automation to removal manual effort and support speed of growth
- Consistent standard for integration ensure reusability of components

## Continual re-assessment

- Continual model risk/reward reassessment to ensure reusability of procured technology as M&As opportunities are approved



# 05 Financials



# Overview of financial performance

## Summary of P&L

AUD '000		FY16	FY17	FY18F	CAGR
<b>Revenue</b>	1	<b>1,177.0</b>	<b>2,198.8</b>	<b>3,237.6</b>	<b>65.9%</b>
Direct costs	2	(310.9)	(697.6)	(1,347.5)	
<b>Gross profit</b>		<b>866.1</b>	<b>1,501.2</b>	<b>1,890.0</b>	<b>47.7%</b>
%/Revenue		73.6%	68.3%	58.4%	
Marketing and customer service	3	(679.9)	(1,229.3)	(1,276.5)	37.0%
<b>Contribution</b>		<b>186.1</b>	<b>271.9</b>	<b>613.5</b>	<b>81.5%</b>
%/Revenue		15.8%	12.4%	18.9%	
Overheads	4	(3,225.9)	(2,541.6)	(2,922.7)	4.8%
<b>Cash EBITDA</b>		<b>(3,039.8)</b>	<b>(2,269.7)</b>	<b>(2,309.2)</b>	

1. Includes revenue from sell and rental listings.
2. Includes costs derived from listing the properties (customer service staff, auction costs, property portals and other costs incurred to list the properties).
3. Marketing, media and sales staff.
4. Overheads include corporate, PR costs, ASX listing and other administration cash costs.

Note: FY2018 figures (8A + 4E) 1) include investment in technology, PR and rollout of financial services; 2) do not include acquisitions

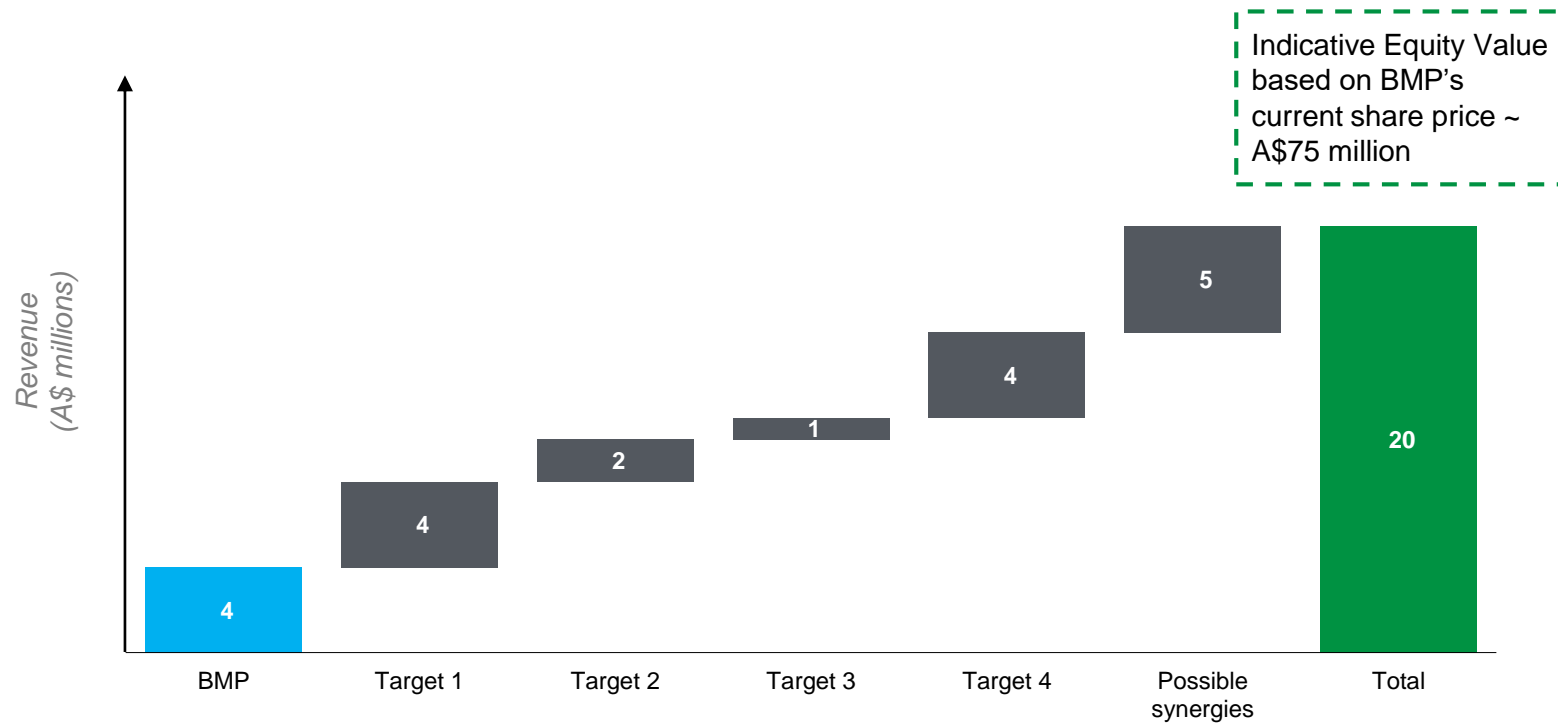
## Highlights and observations

- BMP has been growing consistently with revenue growth of 65.9% p.a. for the two years to 30 June 2018.
  - This has been driven by greater awareness of the DIY proposition, enhanced customer service and marketing and media initiatives.
  - This has had, in turn, a strong impact on the contribution margin, which is expected to grow at a 81.5% p.a. to June 2018.
- In addition, greater efficiencies achieved at the corporate level have been achieved and are expected to be significantly improved beyond FY18, following the successful execution of the new strategy.
- Importantly, the overall business is expected to achieve profitability if the acquisitions currently under discussion complete successfully.

# Significant capacity to grow revenue, earnings and increase value

BMP is sized for growth – of all the current discussions progressed, the potential revenue impact could be around \$16 million

Illustrative Equity Value post transactions with forecast FY18F revenue shown



# Capital structure

## Balance sheet (31 December 2017)

AUD '000	FY18
Current Assets	1,067.9
Non-Current Assets	636.0
<b>Total Assets</b>	<b>1,703.9</b>
Current Liabilities	846.5
Non-Current Liabilities	61.2
Equity	796.2
<b>Liabilities + Equity</b>	<b>1,703.9</b>

## Key market metrics

Shares on issue

**67,452,529**

Net debt

**(\$0.8 million)**

Share price

**\$0.16**

Enterprise value

**\$10.0 million**

Market capitalisation

**\$10.8 million**

Enterprise value/revenue

**3.8x**

Source: BMP's Half Year Report (31 December 2017)

Note: Market capitalisation as of 29 March 2018



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