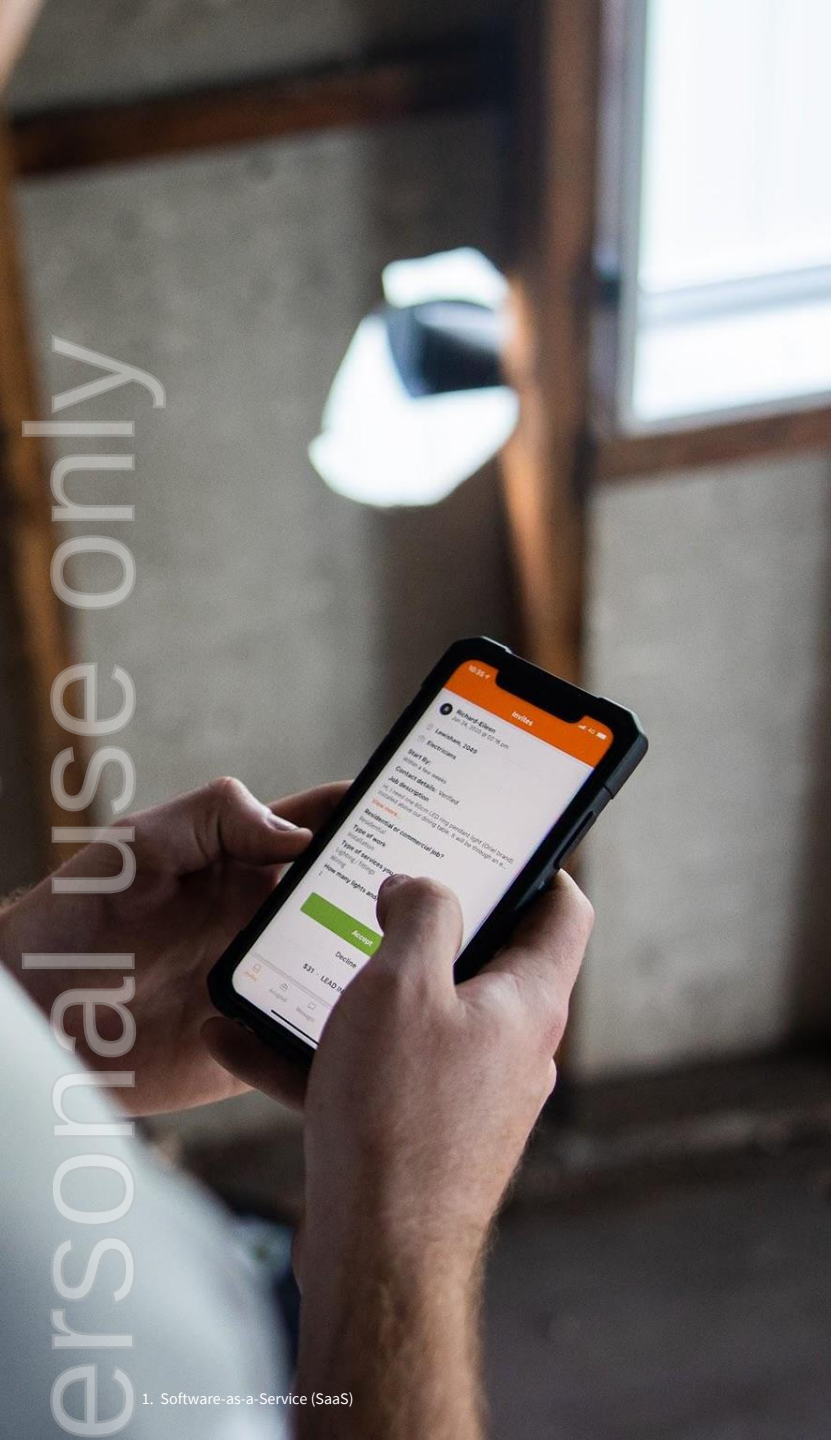
hipages Group

(ASX:HPG)

Goldman Sachs
Emerging Leaders Conference
28 October 2021



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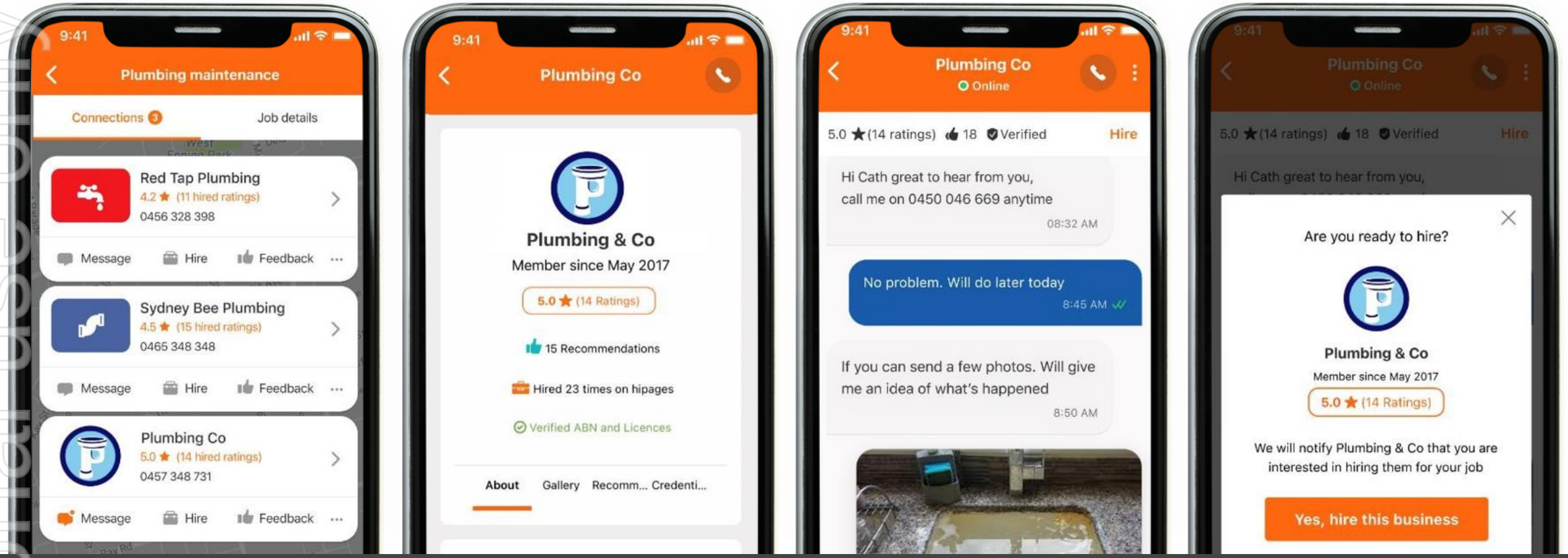
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Australia’s largest online tradie marketplace and SaaS[1] provider, creating effortless solutions that help tradies streamline and grow their business and delight their customers.

1. Software-as-a-Service (SaaS)

Consumer experience – selecting a tradie

Connected with up to 3 tradies → **View profile and recommendations** → **Communicate directly with tradie** → **Select the best tradie for the job**



TIMELY RESPONSE
I received immediate responses from 3 painters who all attended to the quotation process in a timely and professional manner. The work is scheduled for commencement next week and as a first-time user I am confident of a successful Completion.

GREAT SERVICE FROM EXPERIENCED TRADIES
Arrived on time, top quality work and fair price for the job. This is the best way to find the right trades person who supplies top quality work.
Price was fair and reasonable

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Proprietary algorithm matches consumers & tradies



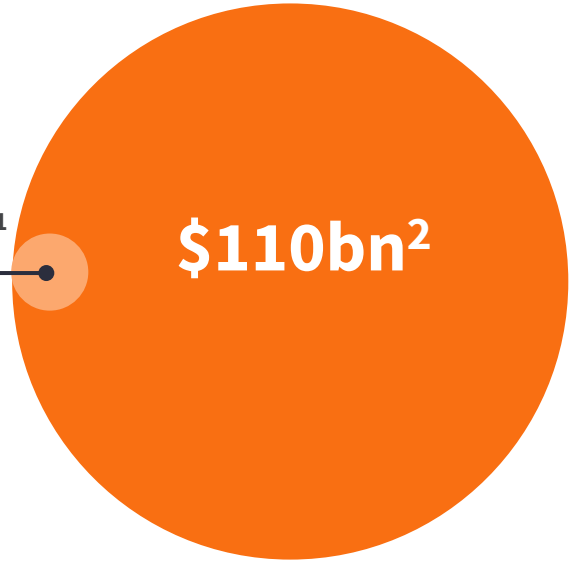
Optimised to provide up to 3 contacts in the first invitation batch

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Large addressable market with small market share

Total Addressable Market

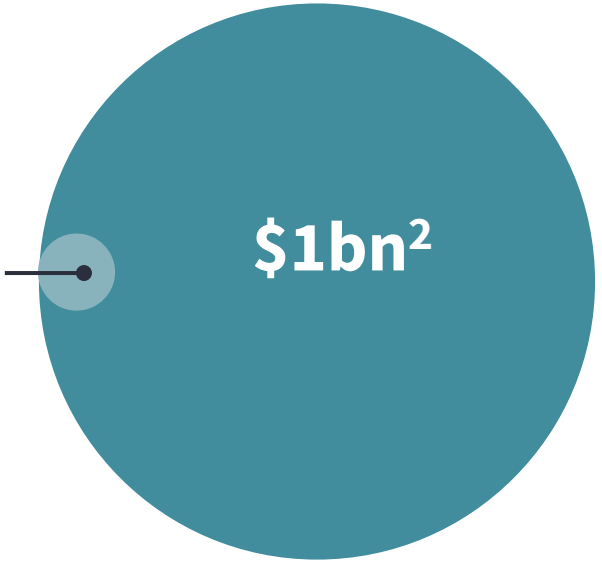
hipages GMV[1] $2.6bn, 2.1% take rate



~2.4% of TAM

Tradie advertising spend

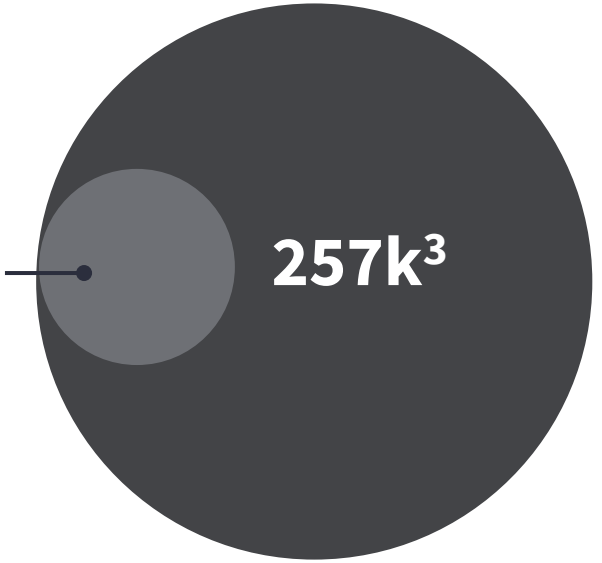
hipages share 5%



Lead sourcing highest ROI [2]

Trade Businesses

hipages tradies 34.5k



~13% of TAM

Large opportunity to increase our share of TAM and take rate beyond 2.1%

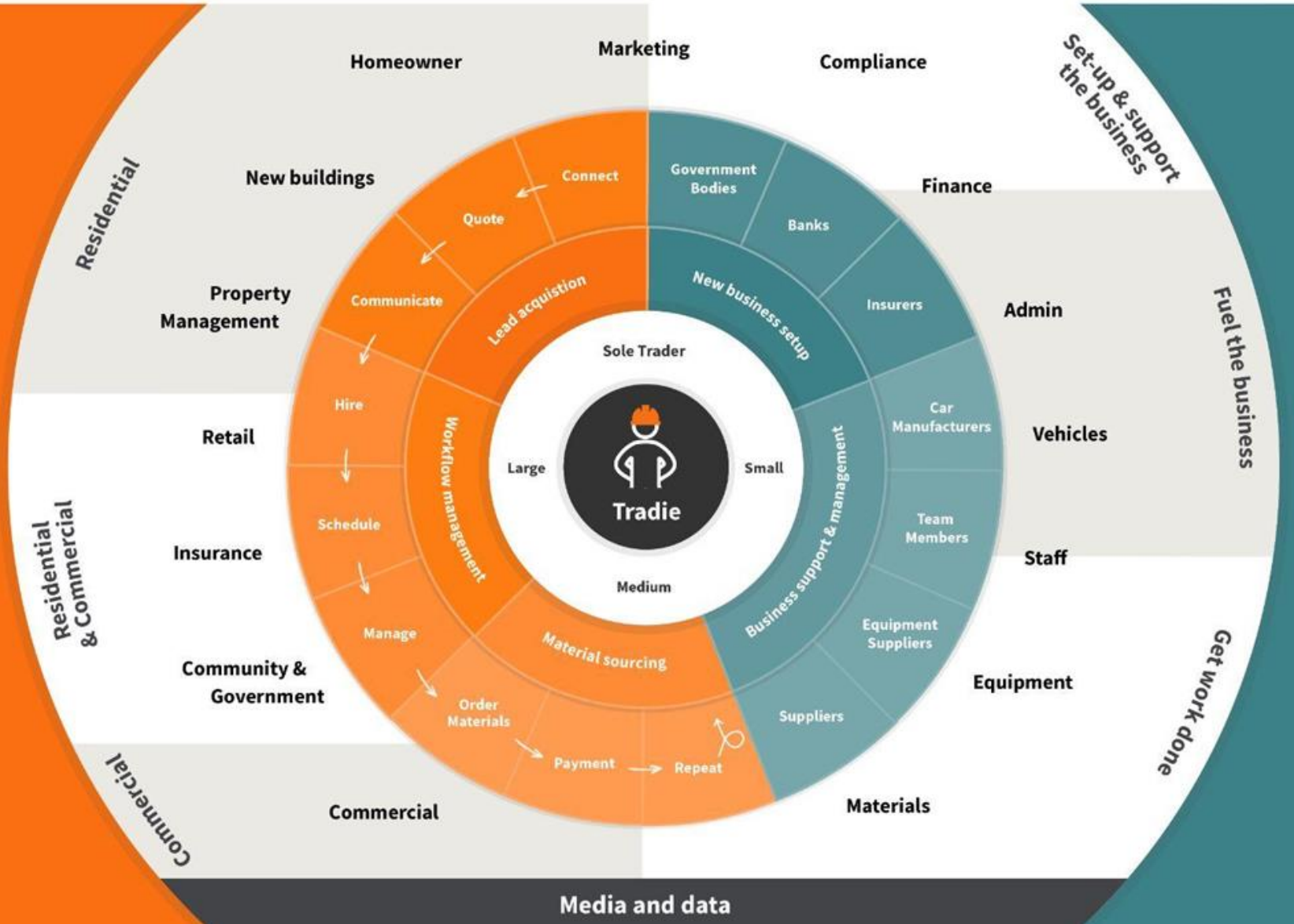
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1. Estimated Gross Merchandise Value (GMV) in 2020 based on the value of the 1.1m claimed jobs on HPG platform.
2. Expected spend on home improvement services in 2021 (Publicis Sapient, August 2021).
3. Residential Trades Market (Publicis Sapient, September 2020); hipages Group Prospectus 2020, pp.28-31.

Overall strategic opportunity

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Total Addressable Market $110.3b



Trade Business Spend $97.1b

Value of the total addressable market

Residential			Residential & Commercial			Commercial
Homeowner	**Residential New Builds**	**Residential Property Management**	**Retail**	**Insurance**	**Community & Government**	**Commercial property management**
Maintenance Repairs Renovation	Homes Apartments	Rental properties Strata	Stores E-commerce	Claims	Charity Local, state and federal government	Offices Retail Warehouse
$41.2b	**$31.9b**	**$12.7b**	**$0.6b**	**$7.5b**	**$8.0b**	
	$85.8b			**$16.2b**		**$8.3b**

TAM $110.3 billion

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Trade business spend

Marketing	Compliance	Finance	Admin	Vehicles	Staff	Equipment	Materials
Traditional Online	Licensing and regulation Trade memberships Education CPE	Banking and finance Insurance	Technology Rent	Purchase Maintain	Administrative Apprentices Trades and sub-contractors	Hire Purchase Maintenance	New Home construction Renovation Maintenance & repair
$1.0b	**$3.3b**	**$4.4b**	**$3.4b**	**$7.8b**	**$46.5b**	**$10.8b**	**$19.9b**

Trade Business Spend $97.1 billion

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https://www.youtube.com/watch?v=j06K-p1TPGE



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Strategy Execution

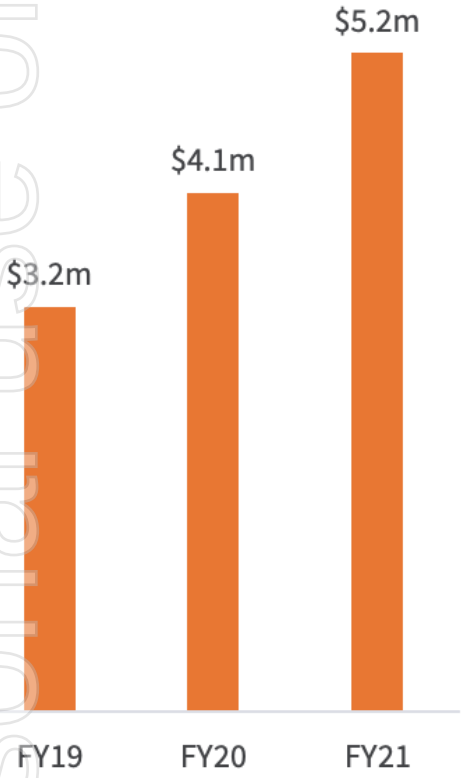
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	FY20-21	FY22-23	FY24+
Grow core category	Marketing effectiveness		
	Subscription product		
	Operational excellence		
	Tradiecore will optimise experience for tradies and consumers		
	Enhance product features		
	Medium to large Tradies		
	On-demand booking and fixed-price services		
Expand category channels / partnerships	Retail		
	Community		
	New channel partners		
New category adjacencies	Payments		
	Financial Services		
	New adjacencies		
	Marketing and media / data		
Inorganic growth	Pursue inorganic opportunities that accelerate growth in a disciplined way		

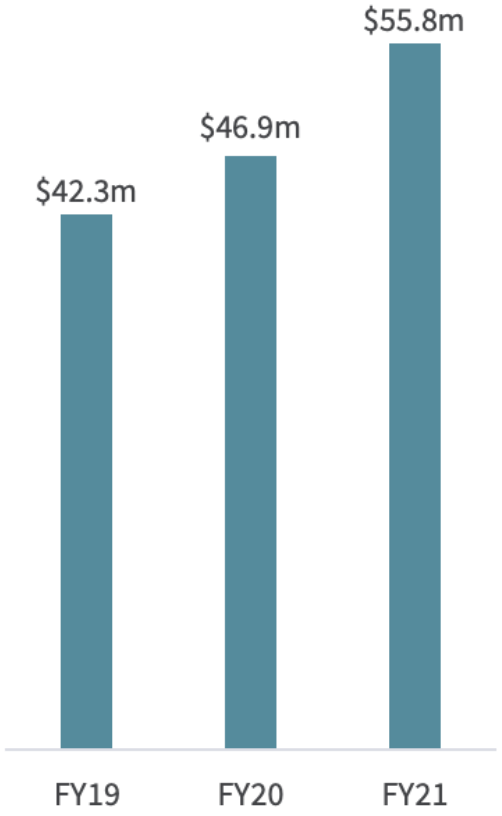
Data innovation supporting key business growth drivers

Delivering sustainable growth

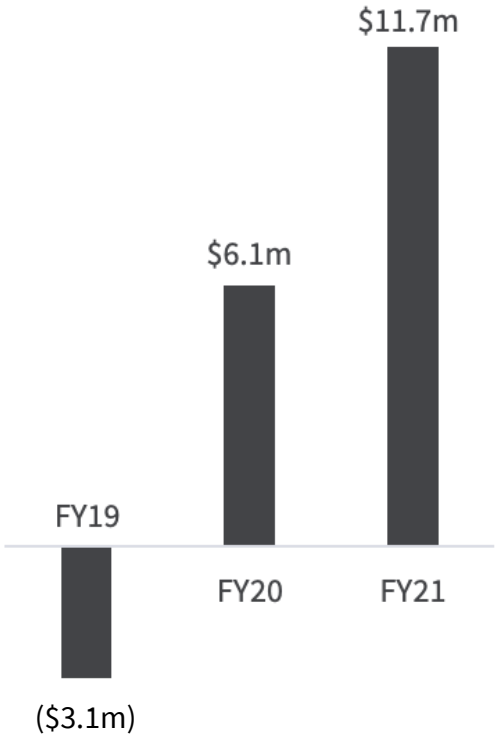
MRR



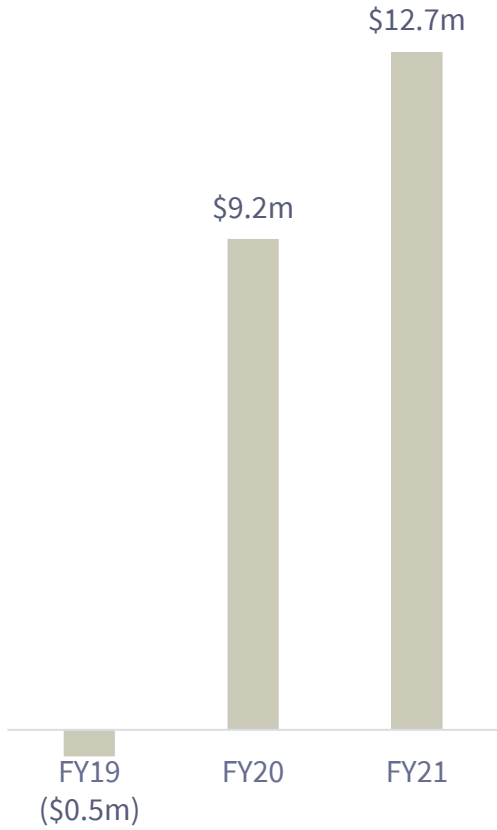
Total Revenue



EBITDA



Operating cash flow



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1. Pro Forma Revenue, EBITDA and Operating Cash Flow. Pro Forma EBITDA is before significant items.

FY21 overview

Revenue

$5.2m
MRR[1] Up 27%

$52.7m
Recurring revenue[2] Up 25%

$55.8m
Total revenue Up 19%

Profitability

85%
Gross margin[3]
(FY20: 79%)

$11.7m
EBITDA[4] Up 91%
EBITDA margin 21%

$1.2m
NPAT[5] Up 128%

Key drivers

31.2k
Subscription tradies Up 12%

$1,536
Total Tradie ARPU[6] Up 29%

1.53m
Job volume Up 12%

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1. Monthly Recurring Revenue @ June 2021 (includes GST).
2. FY21 revenue represents Statutory and Pro Forma revenue. FY20 Statutory revenue includes discontinued operations.
3. Gross profit margin includes total revenue less cost of sales (consumer and tradie SEM spend and merchant fees).
4. Pro Forma EBITDA before significant items
5. Pro Forma NPAT
6. Average Annual Revenue per Tradie ("Total Tradie ARPU") is the annual operating revenue divided by the average of the opening and closing number of total tradies for the period.

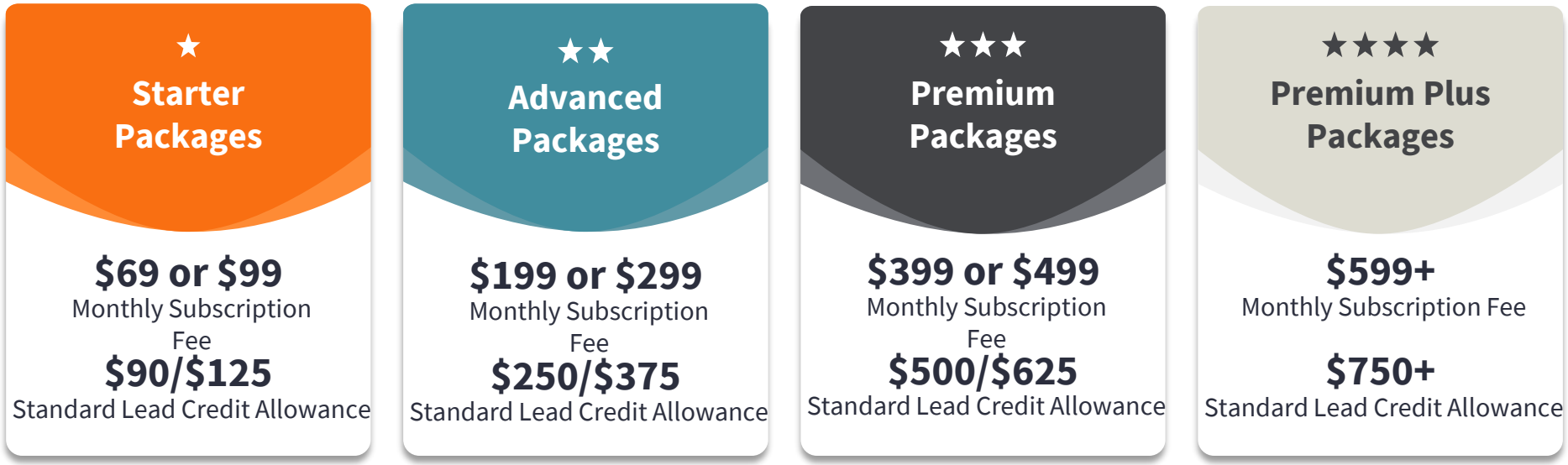
Subscription-only model drives ARPU growth of 29%

Pre November 2019

- **Transactional product** – small annual listing fee and tradie would pay each time they claimed a job lead
- **Subscription product** - monthly subscription product with contract terms of 6-12 months

Post November 2019

- Moved to a **subscription-only** product offering for new tradies
- New version of subscription package with new, improved features
- Removed lower price tier (< $69)
- Automatic 12-month renewal



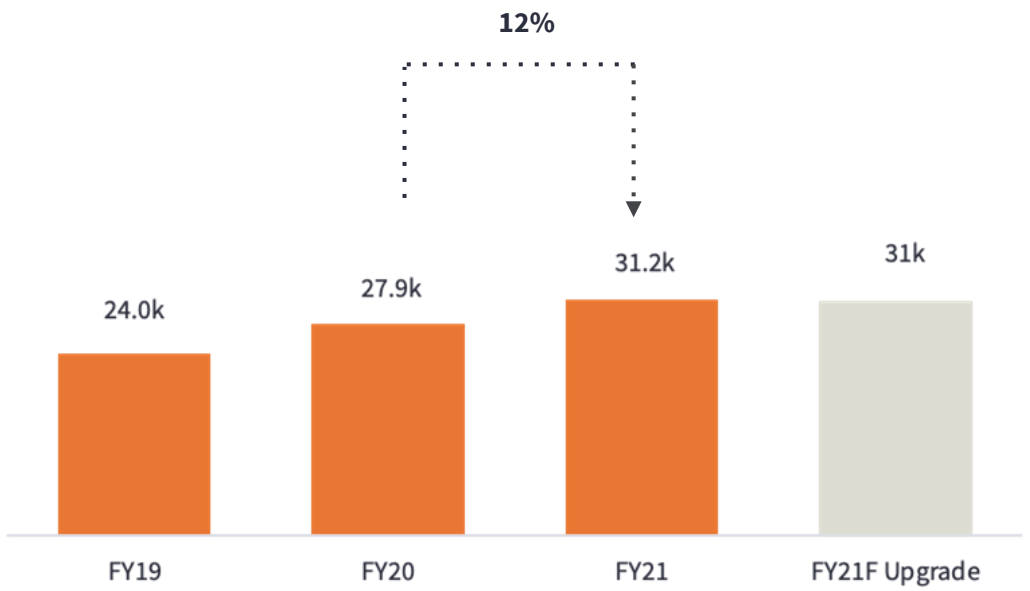
New subscribers joining platform at higher price points and existing subscribers upgrading to higher price tiers

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Flywheel effect driven by growth on both sides of marketplace

Subscription tradies

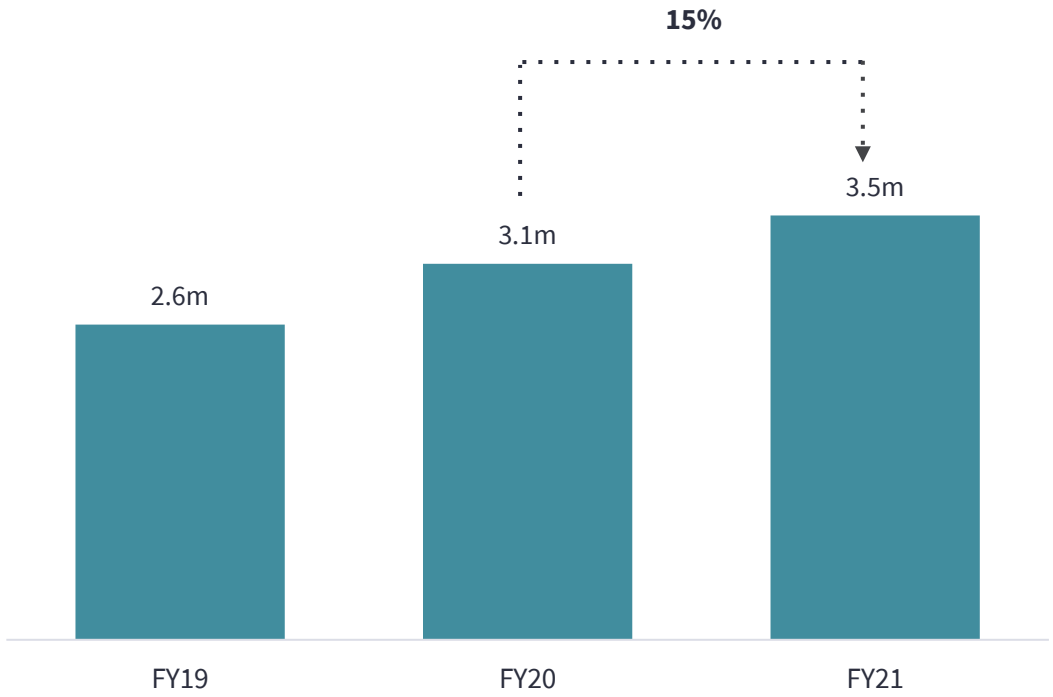
Subscription tradies increased from 77% to 90% of customer base



6–12-month contracts, automatic renewal

Users

3.5m unique users posted a job to hipages platform to end FY21



Lifetime cumulative unique consumers

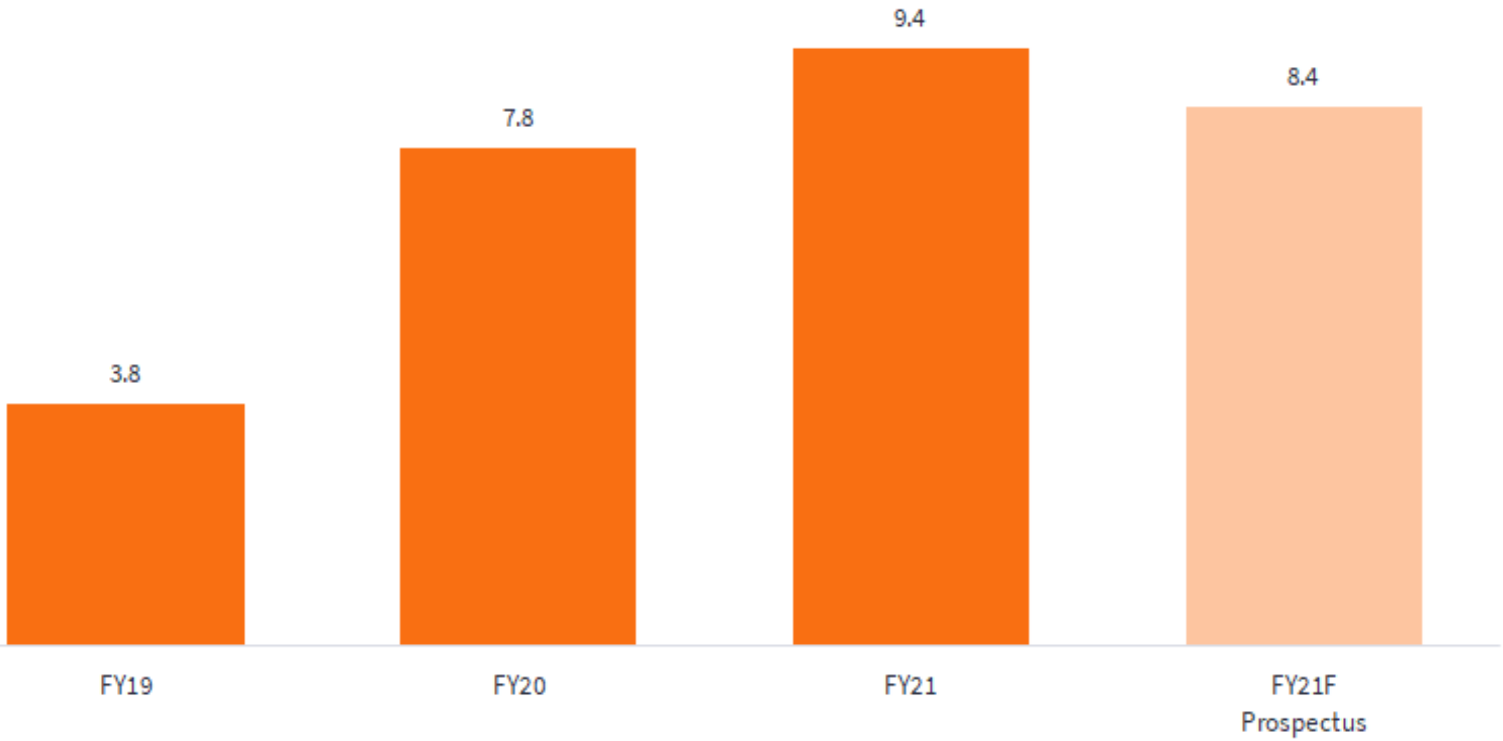
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Lifetime Transaction Value / Customer Acquisition Costs[1]

Significant improvement in unit economics

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Annualised LTV/CAC



- LTV vs CAC ratio increasing as a result of improved unit economics
- ~60% increase in ARPU and ~40% reduction in CAC from FY19-FY21
- FY21 outperformed Prospectus forecast

1. LTV/CAC is calculated as LTV of total tradie ARPU over the CAC per Tradie over the period. Lifetime years using an annualised churn rate of 35%in FY21 (i.e. (1-(1-monthly counter churn)^12)). CAC allocates a portion of sales, marketing and Operations and Administration costs to tradie acquisition. CAC for FY21 represents ~17% of total operating expenses

Effective investment driving increased brand awareness

- Consumer brand awareness remains strong at 55%
- Market leader for top-of-mind awareness at 20% vs. nearest competitor at 12%
- Successful brand campaign across radio and digital increased tradie customer brand awareness from 35% to 49%
- Sponsorships of *The Block* and *Better Homes & Gardens*
- Jobs from paid channels now only 23% of total jobs



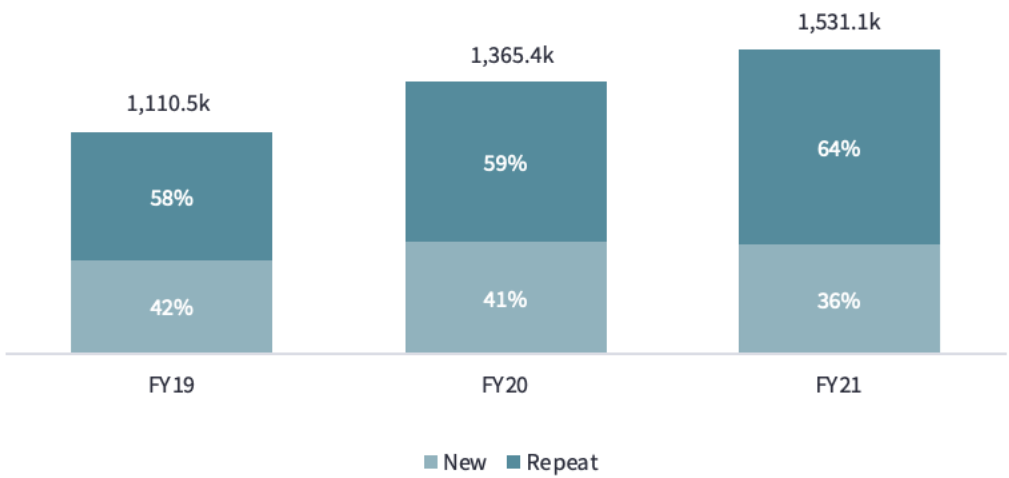
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1. Top-of-mind awareness for websites that connect consumers with tradespeople

Building consumer trust and brand awareness

14% increase in job volume, strong growth in jobs from repeat consumers and unpaid channels[1]

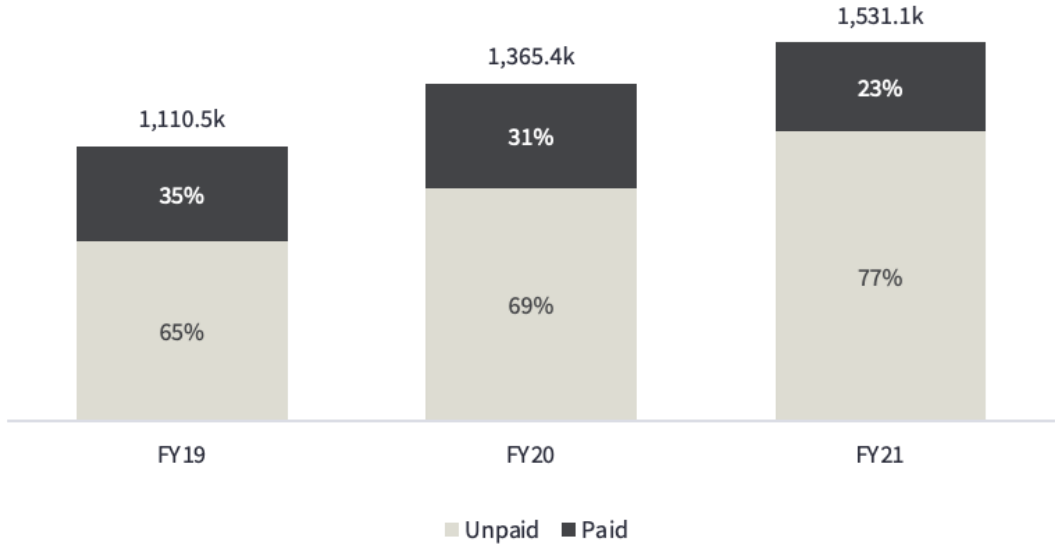
64% of jobs from repeat consumers



22% increase in jobs from repeat consumers[1]

77% of jobs from unpaid channels

3.5m unique users posted a job to hipages platform as at FY21



25% increase in jobs from unpaid channels[1]

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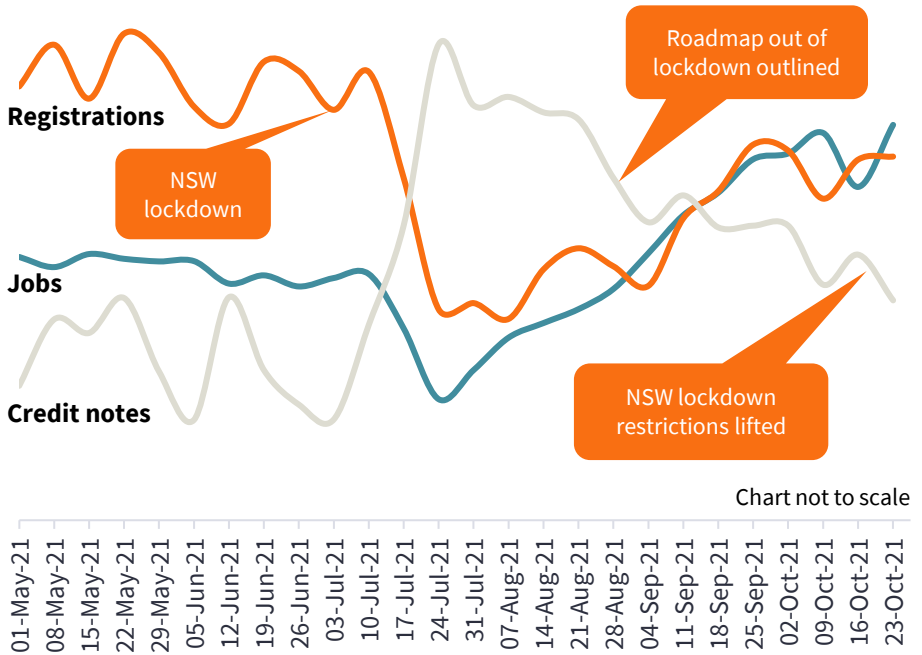
1. FY21 on pcp

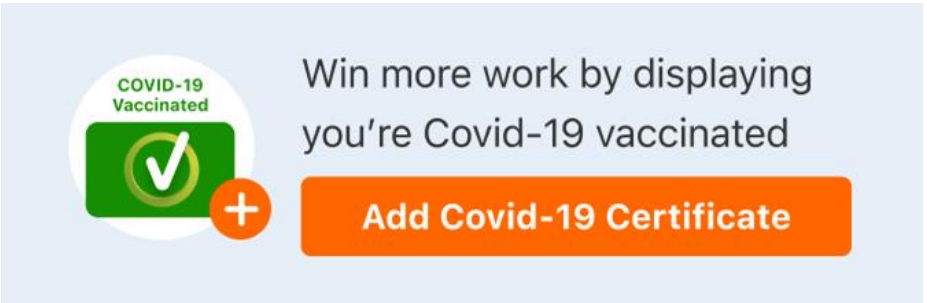
Q1 FY22 trading update[1]

Resilient performance as hipages supports tradies through COVID-19 lockdowns

- Supporting our tradie customers:
  - Industry-first COVID-19 safe badge for fully vaccinated tradies
  - Contract pause, short-term discounts and lead credit extension
  - Special offers for new tradies to kickstart their experience
  - Frequent communication to inform tradies of restrictions and opportunities
- Lockdowns had a moderate impact on revenue growth as expected, with total revenue up 14% on pcp to $14.9m
- Subscription model model proving resilient in a challenging environment with MRR up 20%[2]
- Total Tradie ARPU[3] up 22% to $1,721 and total subscription tradies up 10% to 31.3k
- Australian home improvement market remains very buoyant, long-term opportunity as attractive as ever

Strong rebound in NSW marketplace activity in Q1





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[1] Unaudited financial information.
[2] Monthly Recurring Revenue (MRR) is the monthly amount of cash revenue hipages will recognise from subscription-based agreements (inclusive of GST) at each period end.
[3] Average Annual Revenue Per Tradie (Total Tradie ARPU) is the annual operating revenue divided by the average of the opening and closing number of total tradies for the period.

FY22 outlook

- Continue to successfully **navigate the impacts of COVID-19 and support our tradie customers**
- **Migrate remainder of transactional tradies** onto subscription product by end FY22
- **Evolution to SaaS model continues, with Tradiecore to offer expanded functionality**
- **Expand into new job channels** and opening ancillary revenue opportunities
- **Pursue growth opportunities** to strengthen market leadership and win the tradie economy

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Q&A



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