

hipagesGroup

ASXCEO Connect

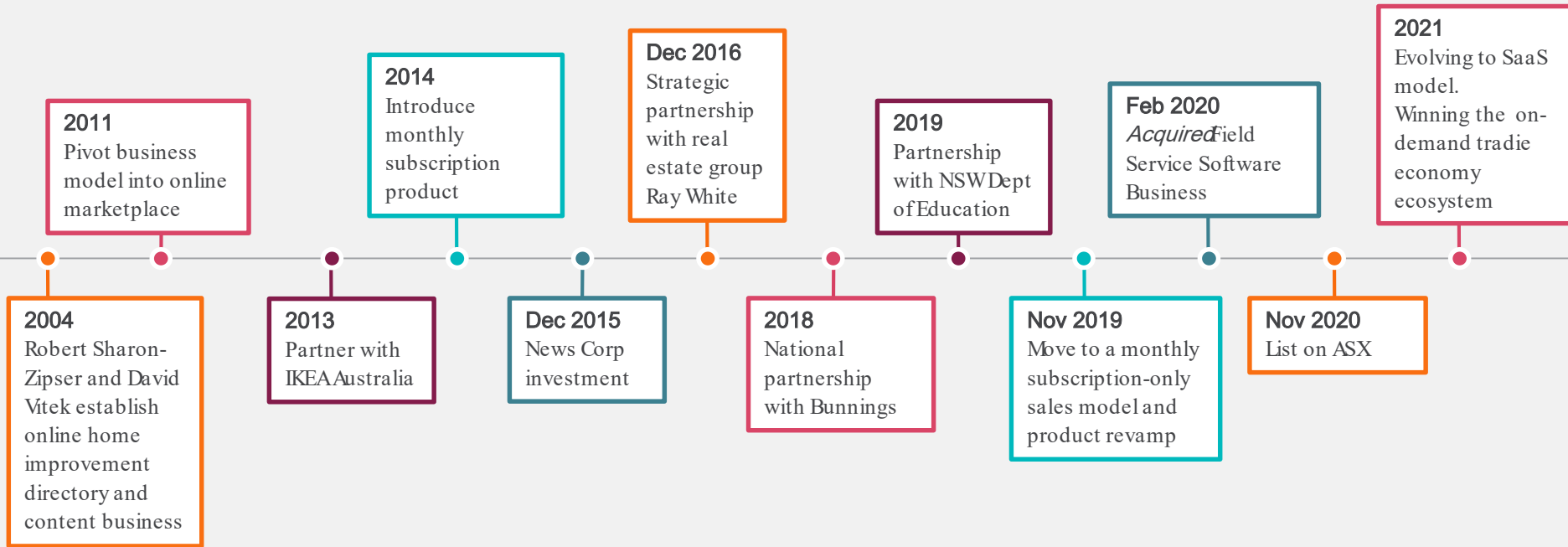
15 June 2021



Australia's largest online tradie marketplace and SaaS provider connecting tradies with residential and commercial consumers to simplify property improvement.¹

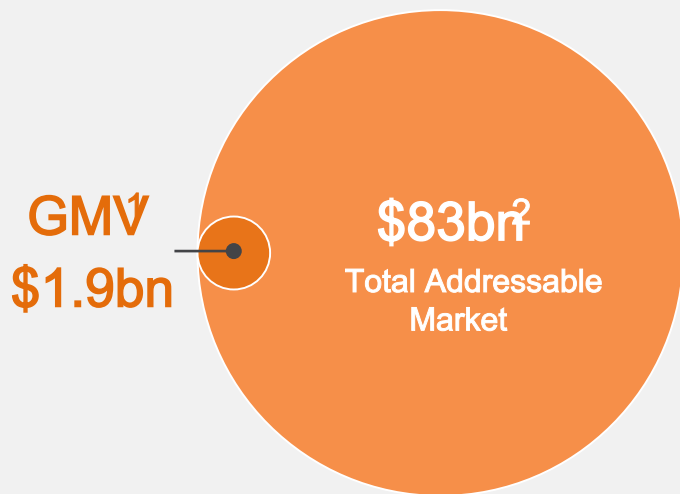


From online directory to subscription model



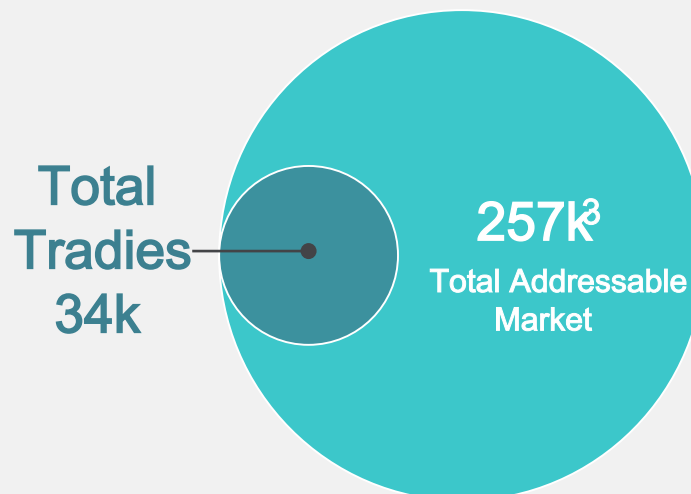
Large and growing addressable market

Australian Home Improvement Spend



hipages GMV estimated at 2% of TAM

Tradie Businesses in Australia



Trade businesses on hipages platform estimated at 13% of TAM

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 2020. hipages Group Prospectus 2020, p.29.
3. Residential Trades Market (Publicis Sapient, September 2020); hipages Group Prospectus 2020, pp.28-31.

Macro trends driving tradie advertising¹

Growth in tradie ad spend

- **\$976m** spent by tradies on advertising
- **8.8% p** projected growth in tradie ad spend

Growth in online spend

- **60%** of tradie ad budget spent **online**
- **11.2% p** projected growth in online ad channels

Highest ROI from lead sourcing

- **12%** of tradie ad spend on **lead sourcing**
- **\$13.80** tradie ROI from lead sourcing

Australia's largest online tradie platform



Subscription only product



94% recurring revenue¹



Strong brand awareness of 56%



Flywheel effect of double sided marketplace



Over 34k trade businesses



3.3m unique users have posted jobs

Consumer experience Selecting a tradie

Connected with
up to 3 tradies



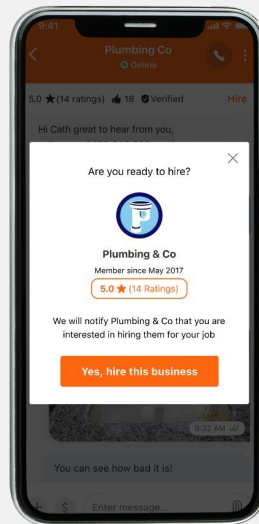
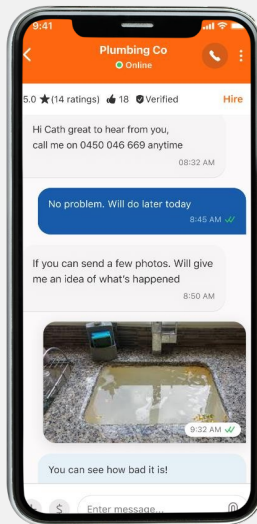
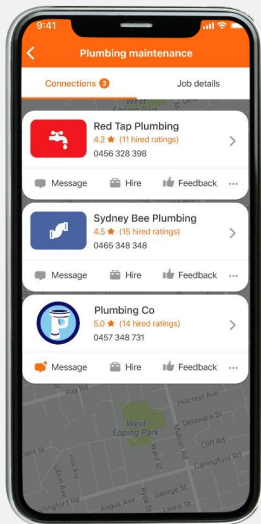
View profile and
recommendations



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.



Tradie Experience – Message centre & payments

Message
centre



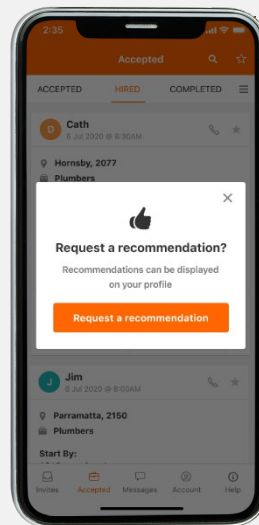
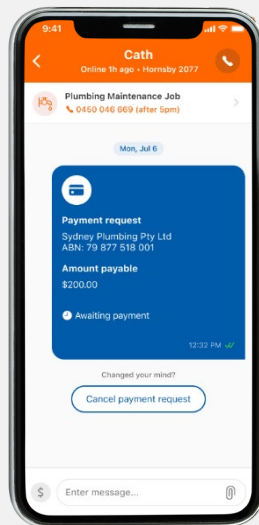
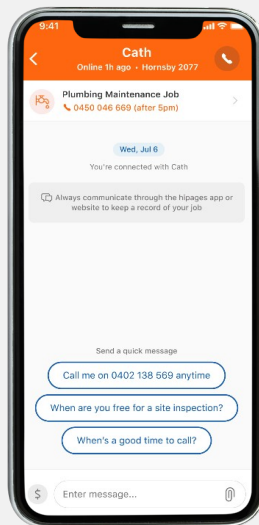
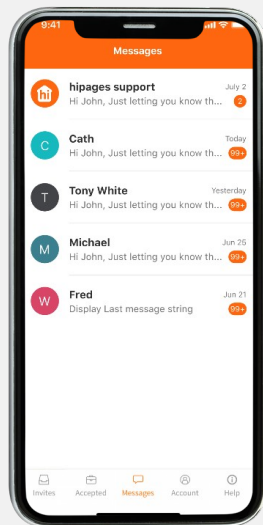
Streamlined
communication
with customer



Payment
functionality



Request for
feedback



Hipages is a great service. Would highly recommend. Has helped me enormously grow my business. THANK YOU hipages team.



Hipages has provided me with over \$15K worth of business in 8 months and that's just from the jobs listed. I'm positive that this amount will triple through follow up work and referrals. Great model great service. 5 stars.



Proprietary algorithm matches consumers & tradies



Distance to
the job



Recent tradie
activity



Customer
tier



Tradie
tenure



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

Ongoing transformation in unit economics

WHAT WE HAVE DONE

- Enhance subscription offering
- Transformation change project
- Investment in technology to drive scale
- Focus on building brand

OUTCOMES

- Subscription drives higher ARPU¹
- Reinvest savings in brand, tech and tradie acquisition accelerating growth
- Evolution to SaaS increasing customer stickiness
- New revenue channels driving ownership of on-demand tradie economy

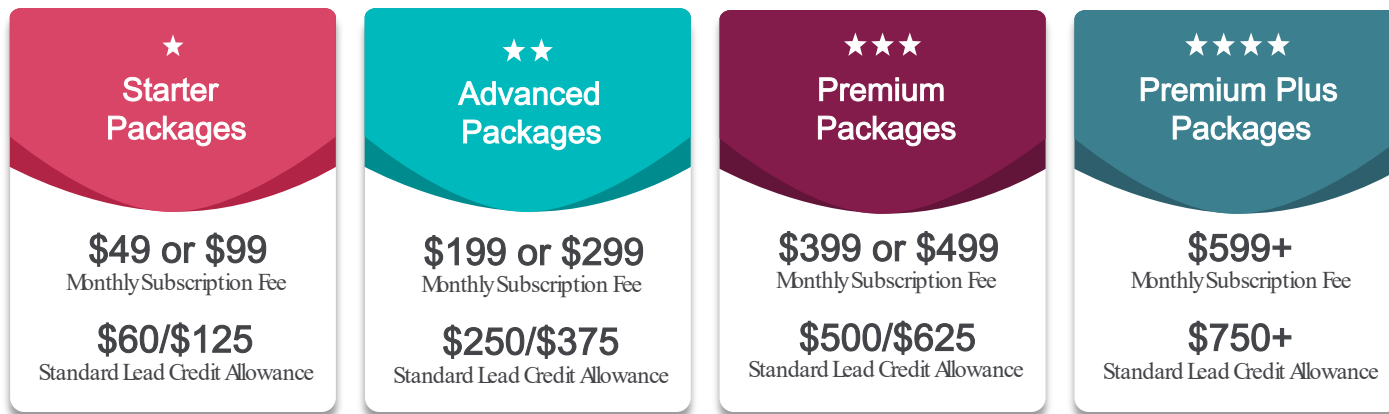
Subscription-only model drives ARPU growth

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

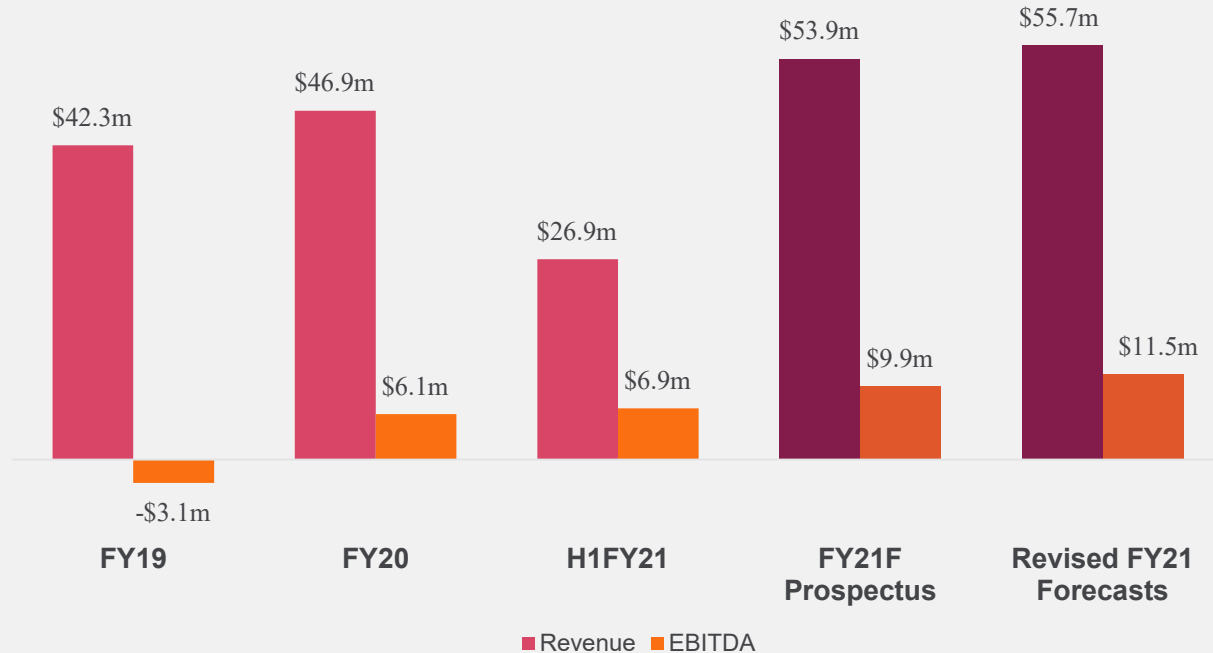
Post November 2019

- Moved to a **subscription -only** product offering for new tradies
- New version of subscription package with new, improved features
- Removed lower price tier (< \$49)
- Automatic 12-month renewal



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

Delivering sustainable profit growth



Q3 FY21 delivers another strong performance

REVENUE

MRR² **\$4.9m**
Up 30%

Recurring revenue³ **\$13.5m**
Up 23%

Total revenue³ **\$14.3m**
Up 18%

% Recurring revenue **95%**
Q3 FY20: 91%

CASHFLOW

Closing cash⁴ **\$32.7m**
No debt

Cash receipts **\$15.2m**
Up 14%

Net operating cashflow **\$3.8m**
Q3 FY20: \$1.5m

KEYDRIVERS

Total Tradie ARPU **\$1,606**
Up 29%

Subscription tradies **29.8k**
Up 10%

Job volumes **0.4m**
Up 17%

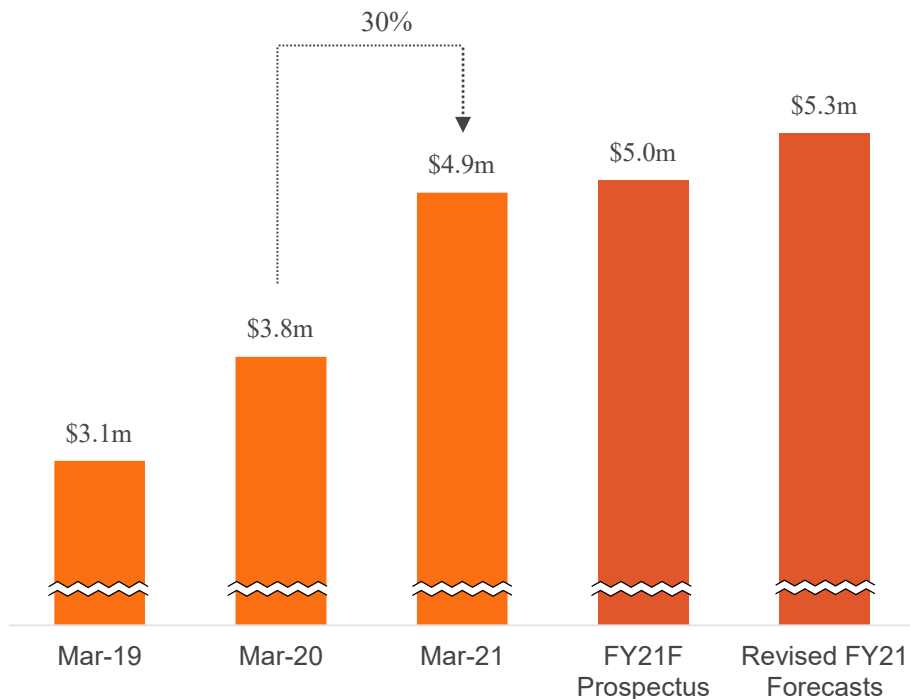
Jobs from repeat consumers **64%**
Q3 FY20: 59%

Upgrade to FY21 Prospectus Forecast

	Revised FY21F	Prospectus FY21F	Var (%)	Pro Forma FY20	Revised FY21F Var (%)	Prospectus FY21F Var (%)
Total Revenue (\$m)	55.7	53.9	3%	46.9	19%	15%
Recurring Revenue (\$m)	52.6	50.5	4%	42.2	25%	20%
Recurring revenue % total	94.4%	93.6%	1pts	90%	4pts	4pts
EBITDAbefore Significant Items	11.5	9.9	16%	6.1	88%	62%
EBITDAbefore Significant Items Margin	21%	18%	3pts	13%	8pts	5pts
NPAT	0.3	-1.8	117%	-4.2	107%	58%
MRR (\$m)	5.3	5.0	6%	4.1	28%	21%
Job volume (m)	1.6	1.5	3%	1.4	14%	10%
Subscription tradies (000s)	31	30	4%	28	12%	7%
Total Tradie ARPU(\$)	1,525	1,449	5%	1,194	28%	21%

Strong growth in Monthly Recurring Revenue

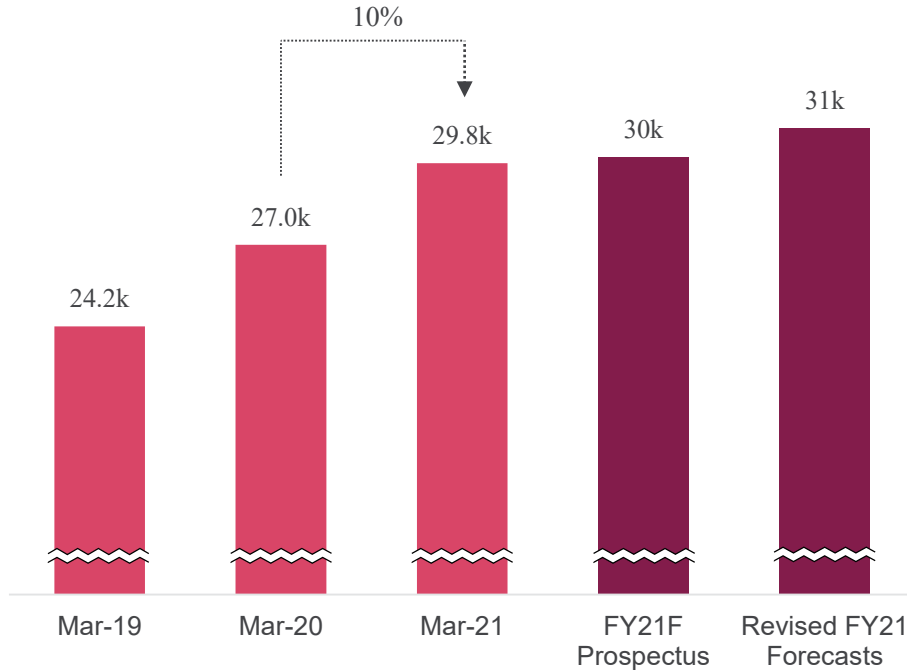
Acceleration in MRR as more tradies subscribe and ascend to higher price points



- MRR¹ of \$4.9m @ March 2021, up 30% vs pcp underpins strong recurring revenue growth
- Driven by growth in subscription tradies, jobs and APRU
- Flywheel effect of double-sided marketplace
- Upgrade to FY21 Prospectus forecast for MRR @ June 2021
 - from \$5m, up 21% on pcp
 - to \$5.3m, up 28% on pcp

Subscription tradie base continues to expand

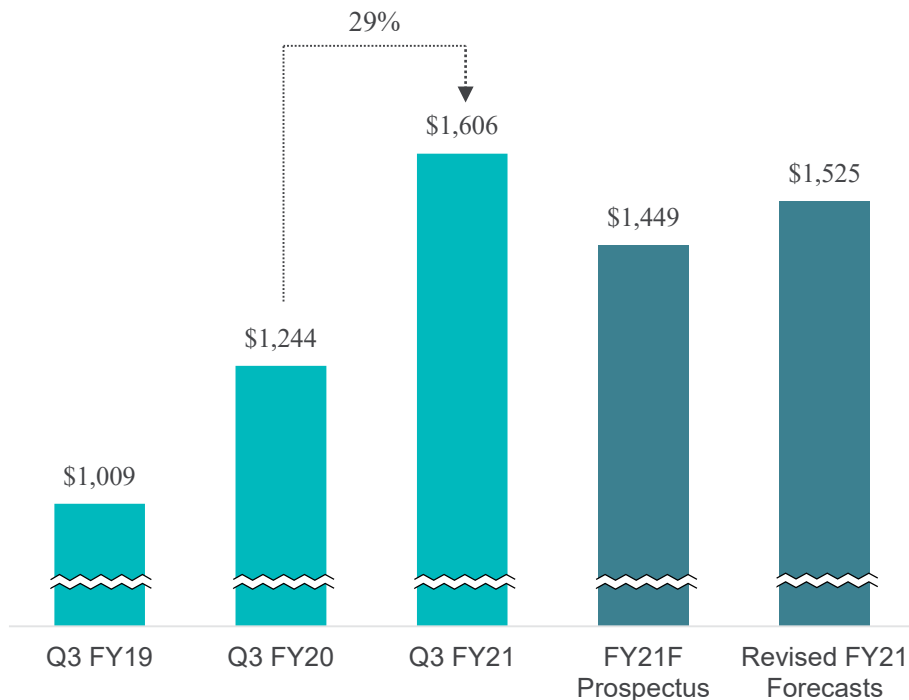
Improvement in subscription product offering drives tradie engagement at higher price points



- Total subscription tradies of 29.8K @ March 2021 up 10% on pcp
- Upgrade to FY21 Prospectus forecast for Subscription Tradies @ June 2021
 - from 30K, up 7%
 - to 31K, up 12%
- Marketing initiatives in place to further accelerate the number of tradie subscriptions

Subscription model drives growth in Total Tradie ARPU

Unlocking value as tradies opt for higher tier packages



- Total Tradie ARPU¹ of \$1,606 in Q3 FY21 up 29% on pcp
- Driven by
 - Move to subscription only product
 - New and improve features
 - New subscribers joining at higher price points
 - Existing subscribers upgrading to higher price tiers
- Upgrade to FY21 Prospectus forecast for ARPU
 - From \$1,449, up 21% on pcp
 - To \$1,525, up 28% on pcp

Building brand awareness, less reliance on paid channels

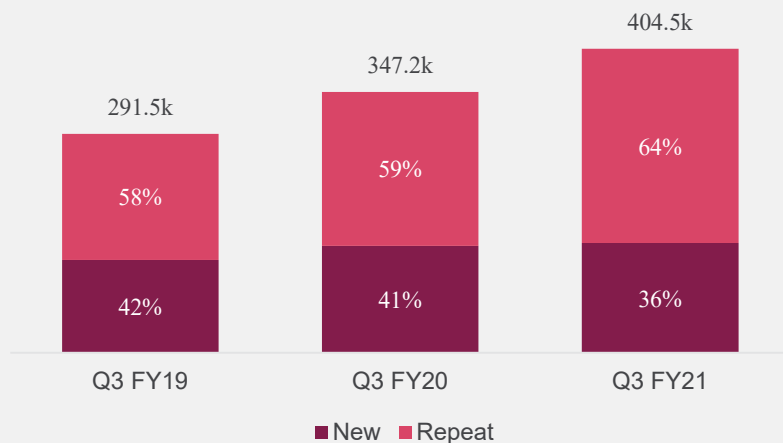
- Jobs from unpaid channels up 35% in Q3 FY21 on pcp
- Brand awareness increased to 56% from 27% in July 2018
- Platinum sponsor of *The Block*
- Sponsorship of *Better Homes & Gardens* starting in March 2021
- In Jan 2021, launched brand campaign targeting trade businesses
- Reinvesting SEM efficiencies in tradie acquisition, jobs from unpaid channels 75% of total jobs



Building consumer trust and brand awareness

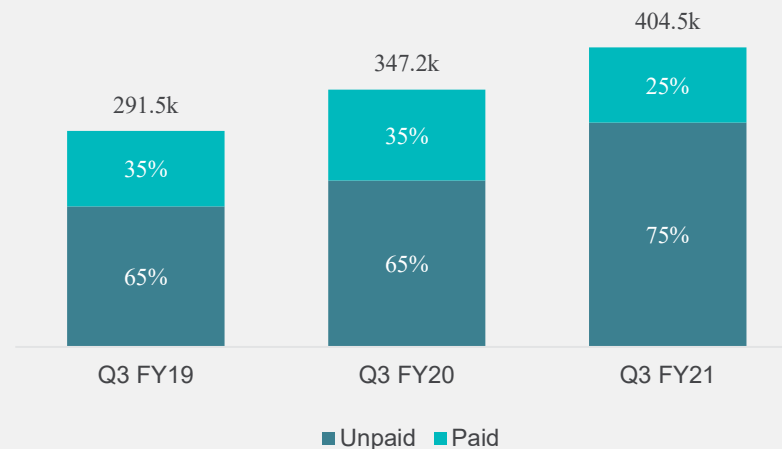
17% increase in job volumes in Q3 FY21 with strong growth in jobs from repeat consumers

64% of jobs from repeat consumers



26% increase in jobs from repeat consumers¹

75% of jobs from unpaid channels

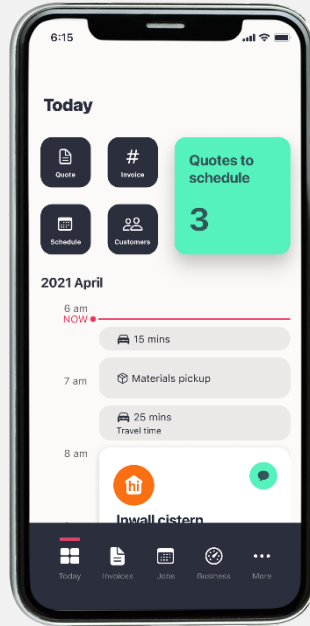


35% increase in jobs from unpaid channels

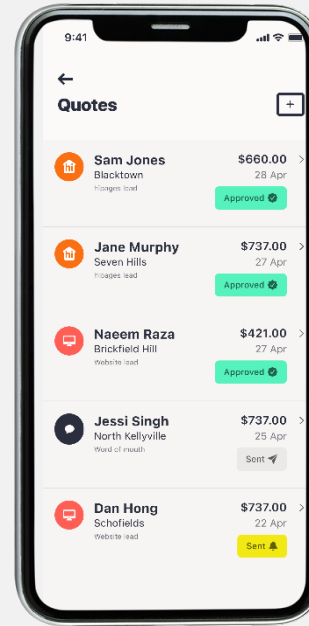
Introducing Tradiecore



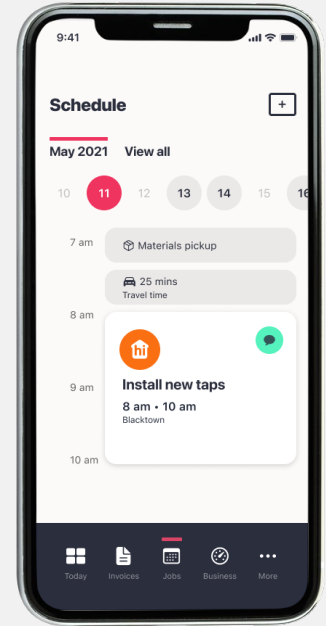
TRADIECORE



Got some quotes approved?

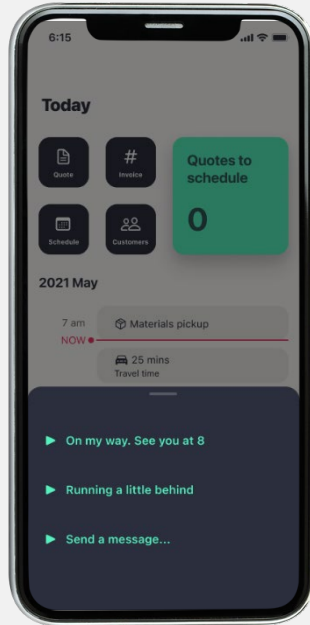


Manage quotes from every source not just hipages

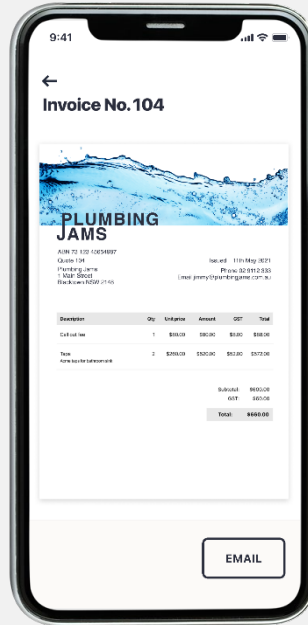


Travel buffer automatically added to the job

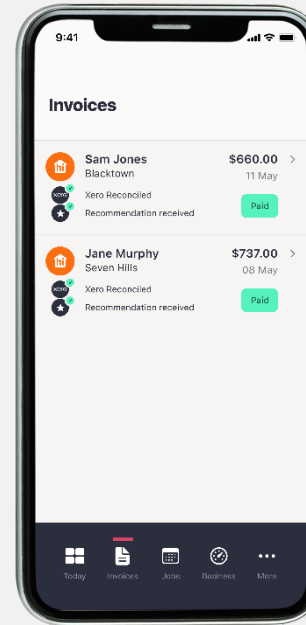
Delivering a field service software solution



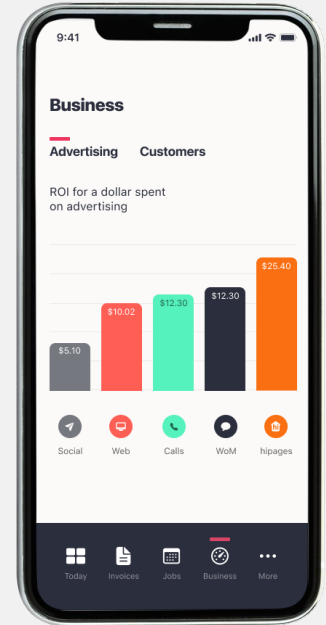
Send a quick message
you're on your way



Quote to invoice.
Easy Pezy



Make world class
customer service



See what's up
with ROI

Long-term focus on expanding the ecosystem

Optimise hipages

- Enhanced subscription offering and moved to subscription only model
- Customer Experience
- Efficiencies
- Job growth
- System Architecture

⇒ Optimise hipages

- **Provide end-to-end solution**
 - Field Service Software (SAAS)
 - End-To-End experience
- **Brand authority**
- **Channel expansion**
 - Government
 - Retail
- **Broaden customer base**

Strengthen hipages

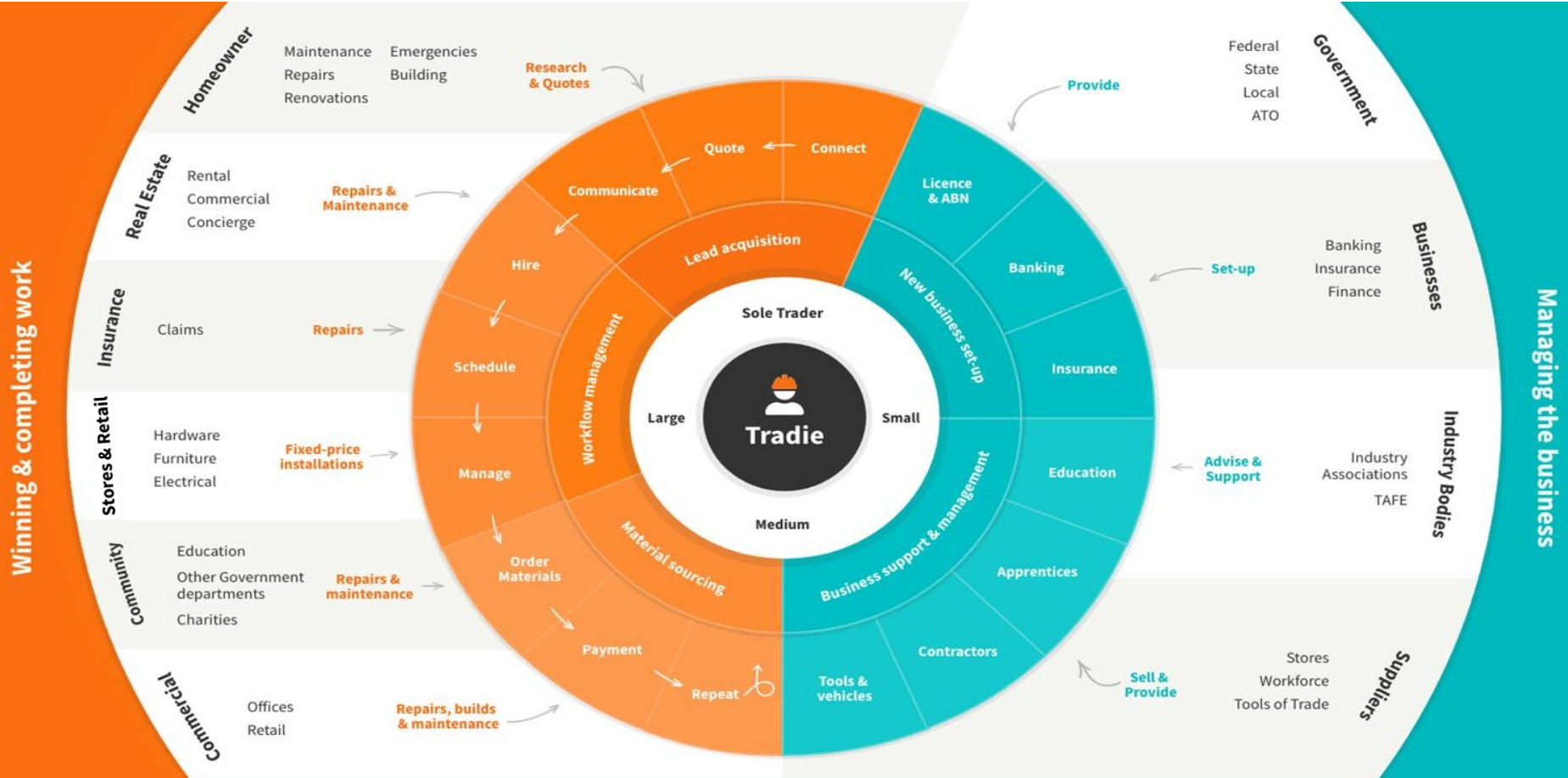
⇒ Optimise hipages

⇒ Strengthen hipages





Expand the ecosystem

- **Value add services**
 - Fintech
 - Insurance services
 - Procurement & Delivery
- **Channel expansion**
 - Insurance claims (repairs)
 - Property, commercial & facility management
- **Data**
 - Expand fixed priced service
 - On demand booking
 - Media

to winning the on-demand trade economy



FY21 Outlook

-  On track to achieve Revised FY21 forecast with strong start to Q4
-  Continue evolution to SaaS model with delivery of Field Service software solutions
-  Reinvest cost savings in brand marketing, tradie acquisition, technology and product development to accelerate growth beyond FY21
-  Continue to optimise job mix and provide highest quality tradie network; tradie base engagement to focus on higher ROI and LTV customers

Q&A

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 on page 13 of 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", 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 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.