

ASX Release 7 November 2024

## 2024 AGM – Chair and CEO Addresses

**hipages Group Holdings Limited** (ASX:HPG) (“hipages” or “the Group”), Australia and New Zealand’s number 1 platform to connect homeowners and tradies, provides the following in connection with its 2024 Annual General Meeting:

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

### Ends

Authorised for release to the ASX by the Company Secretary of hipages Group Holdings Limited.

### Further Information

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### About hipages Group (ASX:HPG)

hipages Group is an online tradie marketplace and Software-as-a-Service (SaaS) platform, connecting tradies with residential and commercial consumers through its platforms hipages (Australia) and Builderscrack (NZ). To date, over 4.5 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 35,000 subscribed trade businesses. Tradiecore, hipages Group’s proprietary workflow management SaaS platform, is key to the Company’s strategic evolution from marketplace to platform. Tradiecore helps tradies build better businesses by managing their whole workflow from lead generation through to payment and completion.

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## Chair's AGM Address

Good morning shareholders.

I am delighted to be here today alongside our CEO, Roby Sharon-Zipser, as we gather on the 20<sup>th</sup> anniversary year of hipages Group.

## Strong Results Across the Board

I am incredibly pleased to report that FY24 was an exceptional year for our company.

Our results speak for themselves with record levels of marketplace activity benefitting both tradies and homeowners alike.

Group recurring revenue was up a 15% to \$72.1 million and total revenue climbed 13% to \$75.8 million.

EBITDA was also up \$4.1 million to \$16.4 million, and margins were up another 4ppts to 22%.

In Australia, hipages set new records by facilitating 2.7 million tradie-homeowner connections, with 86% of jobs connected to at least one tradie, demonstrating the strength and momentum of the platform.

We grew our annual revenue per user, or ARPU by 11% vs. the pcp while expanding our subscription tradie base by a further 2%.

This growth was underpinned by dynamic lead pricing, artificial intelligence enhancements to our matching engine, the migration of existing customers to higher tiered plans and new customers joining the platform at higher price points.

In New Zealand, our operations represent a small but growing part of our overall business. Revenue was up 28% with ARPU up 21%. We are making strong progress towards evolving the NZ business from a transaction-based platform to a higher value subscription model, in-line with our tradie platform in Australia.

## Successful Tradiecore Launch

We not only achieved sustainable financial growth in FY24 but also marked a significant milestone in our strategic transformation - from marketplace to single tradie platform - with the seamless launch of our end-to-end platform, Tradiecore in April.

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Although it's early days, we believe Tradiecore has the potential to be a game-changer for tradies and for hipages Group. The added platform functionalities (with many more to come) allow tradies to manage their operations seamlessly and more efficiently. For hipages, the expected improvement in customer retention and ability to capture valuable industry data will further support our growth trajectory.

### Cyber Resilience

Recognising the increasing sophistication and frequency of cyber threats, the Board and executive leadership continue to make cyber resilience a top priority.

hipages continued its focus on strengthening its data privacy processes consistent with our value proposition and promise of trust to tradies and homeowners. We also continued our proactive approach to cyber security through investments in a data discovery platform and enhanced cloud security measures to strengthen our defences against potential threats.

The evolving threat landscape requires constant vigilance, innovation, and adaptability and cyber security will continue to be a focus of our strategy.

### Outlook Remains Positive

The next stage of our evolution will see the development of a homeowner platform which will provide more relevant products and services to our users.

While we are still in early days, we have already created an exciting environment that allows us to deliver solutions that will help homeowners confidently care for and improve their homes.

The positive momentum we saw last year continues through the early stage of FY25. The Group's balance sheet is in an enviable position - well-funded, with \$21.3 million in cash and no debt. This gives us the confidence to boldly execute on our strategic vision and continue to deliver strong results for our shareholders.

Before I wrap up, let me take a moment to thank my fellow Board members for their invaluable counsel and unwavering support through the year, with a special thank you to Roby, whose vision, passion, and leadership have steered hipages over the past 20 years.

And of course, thanks to all of you, our valued shareholders for the continued belief in the hipages Group.

I'll now hand over to Roby to talk about our strategic evolution and outlook.

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

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## CEO's AGM Address

Good morning shareholders.

### Major Milestones Hit

I'm very pleased to report that it has been another outstanding year for the hipages Group. We achieved all our strategic, operational, and financial goals despite the broader economic challenges in Australia and New Zealand.

We maintained a disciplined approach to the business through the year and focussed on maximising the financial performance of the platform whilst maintaining tight operating and investment spending controls.

This laser-sharp focus and our strong operating leverage saw us hit a critical inflexion point in FY24 - achieving positive free cash flow of \$2.1 million.

This key milestone underscores the vibrancy of our platform and the growing confidence users have in its value and positions us perfectly to be a consistent generator of growing free cash into the future.

### Successful Tradiecore Launch

As Inese said, we made material progress in our evolution from marketplace to online platform and the highlight was undoubtedly the successful launch of tradiecore in April.

The tradiecore launch was seamless and on time and customers can now complete an entire job from lead claim to job completion and payment within a single application interface.

Not only does this simplify the experience for our tradies, it is also designed to reduce our exposure to economic fluctuations, improve customer retention, and open new avenues for growth through the development of new products and services for tradies and consumers alike.

We are incredibly pleased with our results last year and remain focussed on driving the business forward as we sign up new customers and progressively transition 100% of our Australian customers onto the tradiecore app over the year ahead.

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## Strategic Evolution

Now that we have created and gone-live on our single tradie platform, our priorities are clear: maintain marketplace balance by growing our tradie network and capitalise on significant opportunities in pricing, value delivery and product development.

We're enhancing the value exchange through cutting-edge technologies, including machine learning and AI, to drive growth. Additionally, we will continue to develop and expand the features available in our job management solutions, expanding on our all-in-one tradie tool.

In terms of the homeowner platform, our second pillar, we are committed to driving relevant job leads for our tradies while expanding our homeowner network.

We'll also continue to invest in our brand and innovative marketing channels to fuel growth. We believe our homeowners should be using hipages for even more jobs, and we'll be making their experience exceptional.

## Focused on the Large Homeowner Segment

We have recently updated our Australian tradie economy data and I'm pleased to share that the category has grown to \$141.8B in Australia.

We are often asked how changes in the construction sector affect us, so we want to clarify that while we have some exposure to New Builds, the majority of the work generated on the hipages platform comes from the Homeowner segment, which is the largest in the category at \$54.3B.

And because hipages is focused on the homeowner segment, we are less exposed to the cyclicity of the New Builds subsegment.

The Homeowner segment primarily includes maintenance, repair, emergency services, and both small and large renovation projects. These residential segments are expected to grow annually by +7% per annum over the next 3 years.

Growth is expected to be driven by industry organic growth, further shifts from traditional media, increased market share from other digital solutions and expanding software and business service solutions.

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### **SAM – Significant Growth Potential**

Our updated research also highlights substantial opportunities to further penetrate our Serviceable Addressable Market (SAM).

We know there are over 301K trade businesses in the total Residential segment, with a serviceable market for marketing solutions of 175K, and our share is approaching 20%.

This clearly shows there's significant room for growth as we continue to innovate and expand our market share with our ever-evolving products.

### **Job Management Solutions – Also Have Material Growth Potential**

Industry spending on job management technology is also growing rapidly, yet adoption remains low at 14%.

Most tradies still rely on somewhat unsophisticated tools to manage their operations: 58% use generic software (like Microsoft Word) and 28% still use pen & paper.

This trait is even more pronounced among sole traders - who make up two-thirds of our TAM – as only 8% of sole traders use specialised job management software.

We see this as a huge opportunity as we believe that the market is on the cusp of a major shift towards increased technology adoption, fuelled by growing competition between tradies and their requirements for productivity improvement.

As I mentioned earlier, hipages tradiecore, our end-to-end lead and job management solution, was launched in April this year.

The launch occurred on time and was seamless. The integration of hipages business app features into hipages tradiecore elevates the tradie experience to new heights, bringing to life our vision and purpose. hipages tradies can now easily manage their hipages leads and jobs from other sources in one place. hipages tradiecore is currently available on iOS and Android.

In FY25 additional functionality such as multi-user capability, team management and desktop user enablement will be available - enabling larger businesses to manage their operations more easily.

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## Product Vision

We now would like to share with you a video showcasing our vision for the future of our tradie and homeowner platforms, bringing our strategic plan to life.

I'm sure you will enjoy this glimpse into the not-too-distant future. We will now go ahead and play the video.

## VIDEO

I am sure you enjoyed the video as much as we do.

## Award Winning Culture

Last but not least, I would like to acknowledge 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 on our strategy while continuing to provide exceptional service to our customers.

Our unique culture and diverse workforce are very important to us and we are delighted to have maintained our high employee engagement this year.

## Trading Update and Outlook

I am very happy to confirm that our operating momentum remains on track with job volumes returning to year-over year growth and tradie-homeowner connections achieving another record quarter.

Whilst it is still early days since launching tradiecore and only expect retention benefits starting to realise in H2, we are seeing very early indicators that those who use the job management features do have a better retention rate. We will be sharing more details about the usage and retention benefit trends of tradiecore during February, when we report on our H1 results.

Our subscription model gives us great visibility over future revenues and our operating model is highly efficient and scalable, which will continue to deliver enhanced operating leverage and margin expansion over time.

For the FY25 year, we are targeting revenue growth in the low teens, consistent with FY24, further expansion of our EBITDA margin of 1-2 ppts and free cash flow of \$4-6 million.

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Before I hand back to Inese for the formal business of the meeting, I want to say how extremely excited I am about the future of hipages Group. We are not resting on our laurels and have significant work to do, but I am very confident that we have the strategy and team to take advantage of the huge opportunity in front of us. I look forward to reporting back on our progress throughout the remainder of the year.

Finally, I would like to thank the hipages Group team for their hard work, focus and passion this year, and to the Board for their guidance. Thanks also to you, our fellow shareholders, for your continued interest and support.

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

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# 2024 AGM

**hipages Group Holding Limited**

**7<sup>th</sup> November 2024**

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# Disclaimer



## Important notice

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The financial information should be read in conjunction with the basis of preparation set out in the Company's accounts.

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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.

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**hipages Group is ANZ's #1 platform to connect homeowners and tradies, building better lives for everyone.**

## Our Vision

To be the most  
trusted partner in the  
trade industry.



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# 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

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# 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 screenshot shows the 'Voting Card' interface. At the top, it says 'Voting Card' and 'Please provide your Member or Proxy details'. There are two sections: 'MEMBER DETAILS' with fields for 'Member Number' and 'Post Code', and 'PROXY DETAILS' with a 'Proxy Number' field. Both sections have a 'SUBMIT DETAILS AND VOTE' button. An 'OR' separator is between them. An arrow points to the right, showing a completed voting card. This card has a 'Vote' button and four resolutions, each with 'For', 'Against', and 'Abstain' options. The resolutions are: Resolution 1 (REMUNERATION REPORT), Resolution 2 (RE-ELECTION OF DR ANDREW CRANE), Resolution 3 (CHANGES TO THE CONSTITUTION - BOARD SIZE), and Resolution 4 (CHANGES TO THE CONSTITUTION - A CLASS SHARE CRITERIA). A 'Submit Vote' button is at the bottom.

## Meeting Agenda

1. Chair's address
2. CEO's address
3. Formal meeting business
4. General Q&A
5. Last call for votes
6. Meeting close



# Chair's address



**INESE KINGSMILL**

Chair and Independent Non-Executive Director

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# CEO's address



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

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# FY24 Group Financial Highlights



<b>Revenue</b>	<b>\$6.4m</b> MRR excl. GST Up 13%	<b>\$72.1m</b> Recurring revenue Up 15%	<b>\$75.8m</b> Total revenue Up 13%
<b>Profitability</b>	<b>\$16.4m</b> EBITDA <sup>1</sup> EBITDA Margin 22% (up 4ppt)	<b>\$0.1m</b> NPAT <sup>1</sup> FY23: (\$2.3m)	<b>\$2.1m</b> Free Cash Flow FY23: (\$2.8m)
<b>Key drivers</b>	<b>36.7k</b> Subscription tradies Up 3%	<b>\$2,079</b> ARPU Up 11%	<b>2.7m</b> Tradie-Homeowner Connections Up 3%

**Closing cash and funds on deposit of \$21.3m and no debt**

See glossary on p.37 for definitions  
All variances on this page refer to the prior corresponding period (pcp)

1. EBITDA and NPAT before significant items. FY24 Statutory NPAT of \$3.6m includes a oneoff profit on disposal of equity interest in an associate and a reversal of deferred consideration relating to the acquisition of a subsidiary (Builderscrack). For FY23, NPAT refers to a statutory net loss after tax.

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# Evolution of our 3+ year roadmap post hipages tradiecore go-live

FY24-FY27+ roadmap evolution



## Tradie Platform

- Maintain marketplace balance
- Optimise value exchange
- Develop expanded product features to provide all-in-one tools for tradies

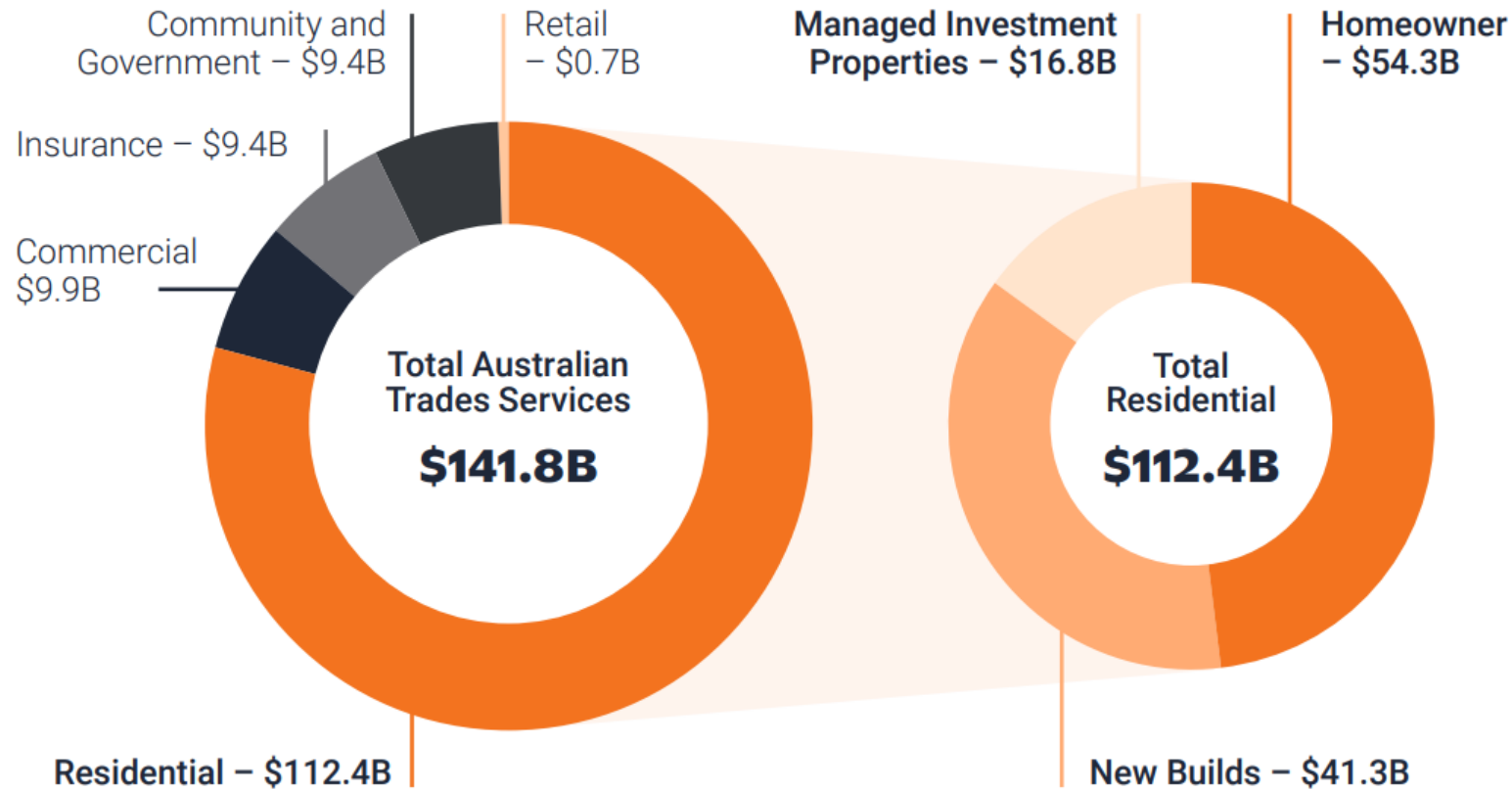


## Homeowner Platform

- Source most relevant and needed job leads
- Strengthen & Build Partnerships
- Evolve our Homeowner platform

# hipages is focused on the large Homeowner segment within the tradie economy

## Australian trades market size (\$B)



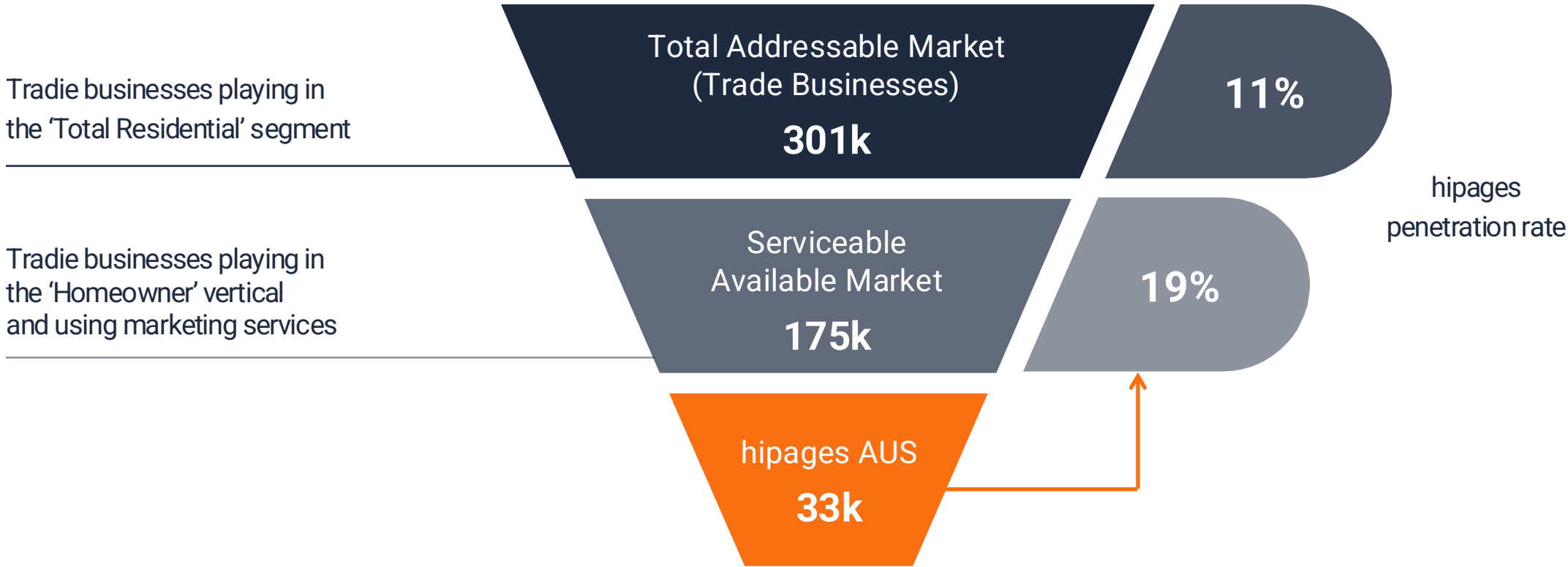
The Residential segment accounts for 79% of the AUS trades market and is projected to grow +7% p.a. over the next 3 years, in line with the L4Y CAGR

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# Significant growth potential, only capturing ~1/5th of the SAM to date



hipages estimated Australian market size

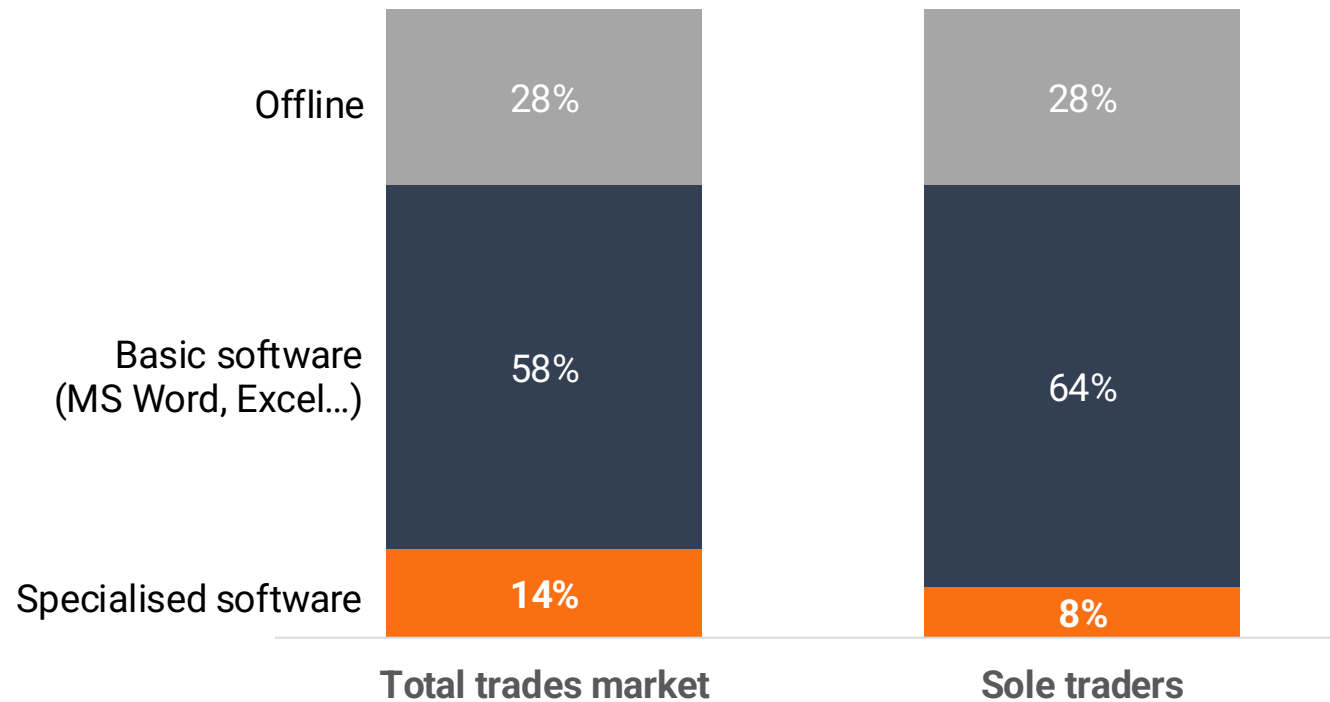


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Source: Publicis Sapiant, ABS, mgmt. estimates

## Job Management solutions also have material growth potential

### Australian residential trades businesses – job management operations



#### Only 14% of tradies use a specialised job management software

- Penetration rate even lower for sole traders, with only 8% using a specialised solution
- 28% manage their operations 'offline' (i.e. pen & paper)

#### HPG sees an opportunity for specialised software to gain share of wallet thanks to:

- Demography: new generations of tradies more inclined to using technology
- Product & UX: enhanced ease of use and sophistication of specialised software

## Our end-to-end platform hipages tradiecore

### All within a single app:

- Job leads browsing and claiming
- Tradie business profile page
- Job management features
  - Sending a quote
  - Sending an invoice
  - Customer correspondence

### Integration with:

- Stripe payment
- Accounting tools (Xero, Quickbooks, MYOB)





# Further product evolution and new features on track for FY25 delivery

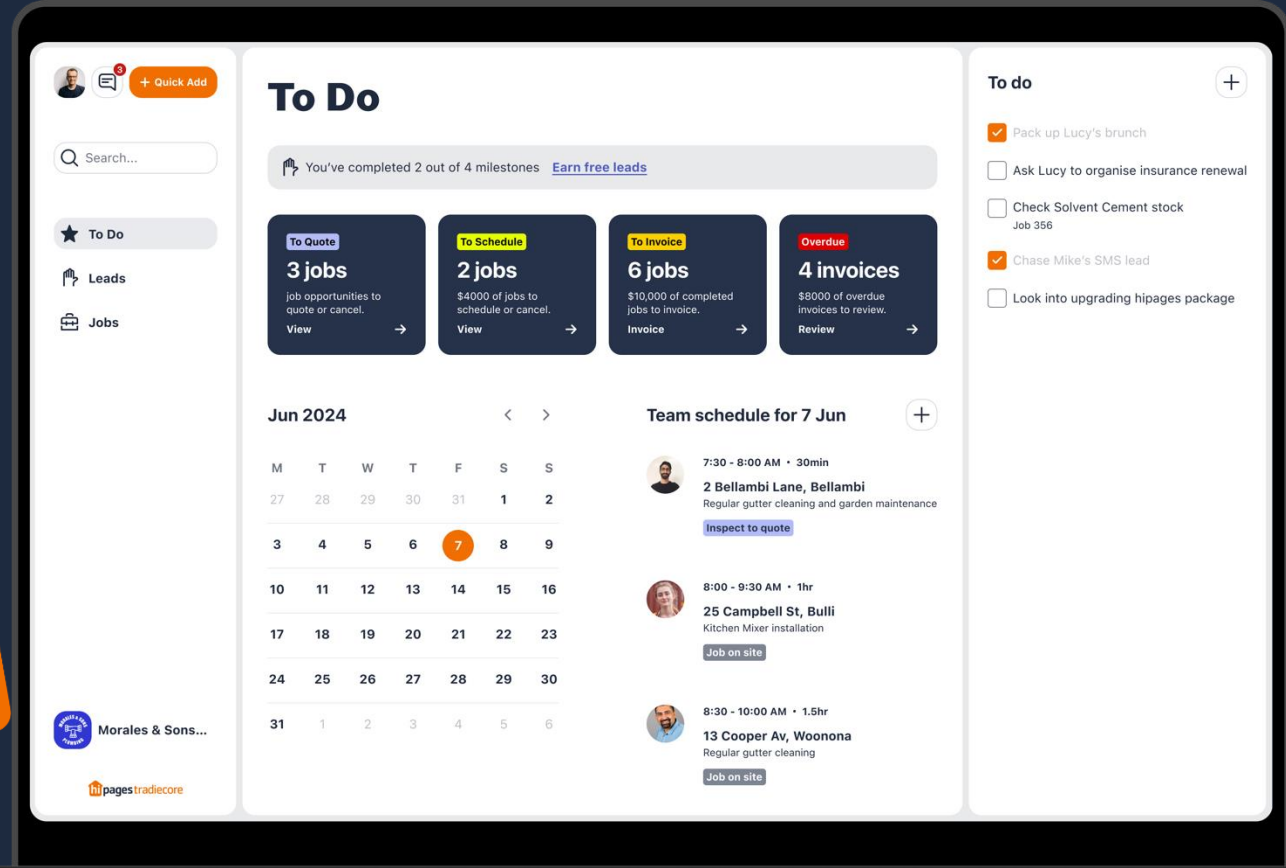
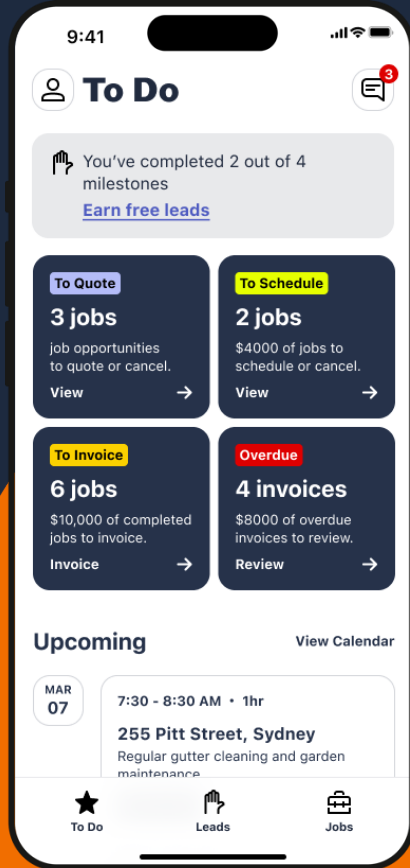


## hipages tradiecore

Single app for tradies to find jobs and manage their business end-to-end

## Desktop version to be launched in FY25 H1

Omni-channel experience (syncing with phone app) for users and larger businesses managing their operations from larger screens



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# Product vision



## Award-winning culture

### Great place to work

**86%**

Of our team consider hipages a great place to work

### Team appreciation

**94%**

Of our team says we celebrate special events

### Culture of belonging

**96%**

Average response to survey questions on fair treatment regardless of age, sexual orientation or gender

### Gender pay gap

**0%**

For same role and overall, 2.3% WEGA<sup>1</sup> median pay gap against national pay gap of 19%

### Age span

**48 yrs**

From 21 to 69, great for a SME ANZ technology company

### Gender parity

**50%**

Board gender diversity; 58:42 company wide male:female split

## Trading update and outlook

### Continued high activity level on the platform in FY25 Q1:

- Job volumes returning to growth vs. pcp
- high volume of tradie-homeowner connections

### Reiterate previous expectations for FY25:

- Low teens revenue growth
- EBITDA margin expansion of 1-2ppt vs. FY24
- Free cash flow of \$4-6m



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Thank You

