

ASX / Media release 9 December 2021

hipages Group acquires New Zealand's leading online tradie marketplace

Builderscrack acquisition creates trans-Tasman market leader, gives access to NZ\$26b TAM, 4k active tradies and >95k jobs p.a.

Highlights:

- **100% acquisition of Builderscrack for A\$11.8m in cash and equity**
- **Value accretive transaction, with positive operating cash flow and working capital**
- **Builderscrack is NZ's leading¹ online tradie marketplace, having completed over NZ\$250m of job value through its platform since its foundation in 2007**
- **Gives hipages Group access to NZ\$26b TAM, 4k active tradies and >95k jobs posted p.a.**
- **Small market share of <1% of TAM with significant growth potential and opportunity to unlock additional revenue synergies through business model optimisation and adjacent opportunities**

hipages Group Holdings Limited (ASX:HPG) (hipages Group), owner of hipages, Australia's largest online tradie marketplace and Software-as-a-Service (SaaS) provider connecting tradies with residential and commercial consumers, today announces it has completed the acquisition of Builderscrack, New Zealand's leading online tradie marketplace.

hipages is acquiring 100% of the issued share capital of MyQuote Limited, trading as Builderscrack, for A\$11.8m, to be 80% funded through existing cash reserves with a 20% equity component. The transaction will be value accretive to hipages Group, with Builderscrack being operating cash flow and working capital positive.

The transaction makes hipages Group the trans-Tasman market leader for trade services, giving access to a new NZ\$26b total addressable market (TAM), in addition to Builderscrack's 4k active tradies and 200k registered homeowners.

Co-founded in 2007 by General Manager Jeremy Wyn-Harris, Mark Dickson and Keith Roberts, Builderscrack has grown to be New Zealand's leading online tradie marketplace, with 95k jobs posted on its platform in FY21. It has facilitated over NZ\$250m of job value from more than 480k jobs posted since its foundation, including over NZ\$67m of job value in FY21.

¹ Based on number of jobs posted on Builderscrack's platform

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hipages Group CEO and Co-Founder, Roby Sharon-Zipser, said: “We are excited to announce the acquisition of Builderscrack, New Zealand’s leading online tradie marketplace. This makes hipages Group the clear trans-Tasman market leader connecting trusted tradies to homeowners. Jeremy and the Builderscrack team have built a great business around a strong technology platform and an incredibly loyal tradie base. We will supercharge their growth by leveraging the strategic and operational experience we gained from scaling our business in Australia, as well as helping them to grow their brand to capture the huge market opportunity in New Zealand.”

Builderscrack General Manager and Co-Founder, Jeremy Wyn-Harris, said: “We have built our business and technology from the ground up and created a brand that resonates strongly with New Zealanders. As Australia’s leading online tradie marketplace, hipages Group is a natural partner for us, and joining forces with Roby and his team will enable us to take our business to the next level. We look forward to learning from them and sharing ideas, as well as rolling out new products and services to add value for our tradie customers.”

The acquisition of Builderscrack is the latest step in hipages Group’s growth strategy, continuing the Company’s strong momentum following its recently announced strategic investment in property management technology platform Bricks + Agent, as well as the roll out of Tradiecore, its field service software solution.

Builderscrack delivered a strong performance in FY21², generating revenue of NZ\$2.6m, up 24% on pcp, and delivered NZ\$1.0m EBITDA at a 37% EBITDA margin. In FY21, it facilitated approximately NZ\$67m of job value on its platform from over 95k jobs posted.

Despite being the market leader in New Zealand, Builderscrack has a less than 1% share of its highly fragmented TAM. hipages Group will unlock additional revenue synergies through business model optimisation and adjacent opportunities, with both companies working together to identify further growth opportunities, initially focused on optimising Builderscrack’s sales and marketing operations.

Builderscrack has market leading brand awareness in New Zealand and will retain its brand and leadership on completion.

For the seven months post completion in FY22, Builderscrack will contribute A\$2.3m to hipages Group revenue and will not have a material impact on hipages Group’s EBITDA and EBITDA margin.

Ends

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

² Unaudited financial information

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Investor conference call

hipages Co-Founder and CEO Roby Sharon-Zipser and CFO Melissa Fahey will host a conference call for investors and analysts at **9.30am AEDT today (9 December 2021)**.

To register for the call and access dial in details, please use the following link:

<https://webcast.openbriefing.com/8250/>

Further Information

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About hipages

hipages Group creates effortless solutions that help tradies streamline and grow their business and delight their customers. It is the owner of Australia's largest online tradie marketplace and Software-as-a-Service (SaaS) provider, hipages, connecting tradies with residential and commercial consumers across the country. The platform helps tradies grow their business by providing job leads from homeowners and organisations looking for qualified professionals, while enabling them to optimise their business through our SaaS product. To date, over three million Australians have changed the way they find, hire and manage trusted tradies with hipages, ultimately providing more work to over 31,000 trade businesses subscribed to the platform. The hipages app is available for download on the App Store and Google Play. www.hipagesgroup.com.au

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Builderscrack acquisition

9 December 2021



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Introducing Builderscrack



NZ's leading online tradie marketplace¹



Market-leading brand awareness



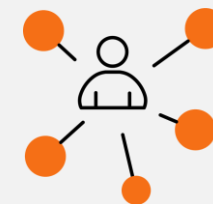
>NZ\$250m of job value completed from >480k jobs posted since 2007



4k active tradies and **200k registered homeowners**



>95k jobs posted p.a



<1% share of highly fragmented TAM

¹Based on number of jobs posted on Builderscrack's platform

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Creating a trans-Tasman market leader

100% acquisition of Builderscrack for A\$11.8m in cash and equity

Value accretive transaction, with positive operating cash flow and working capital

Provides access to **NZ\$26b TAM**

Ability to leverage hipages Group's **strategic and operational experience**

Opportunity to unlock **additional revenue synergies**

Strong brand and leadership to remain with business



United by a shared purpose and vision

Purpose

Vision



Transforming the trade industry, building better lives for everyone

To be the most trusted partner in the trade industry



With simple tools, help our customers make the right connections to get jobs done well

To be the number one way to organise tradespeople for your home

To win the tradie economy

Increasing the TAM

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		Office Retail Warehouse	
AUS	NZ	AUS	NZ	AUS	NZ	AUS	NZ	AUS	NZ	AUS	NZ	AUS	NZ
\$41.2b	\$10.5b	\$31.9b	\$9.2b	\$12.7b	\$1.5b	\$0.6b	\$0.3b	\$7.5b	\$0.7b	\$8.0b	\$1.4b		
		AUS \$85.8b						AUS \$16.2b				AUS \$8.3b	
		NZ \$21.2b						NZ \$2.4b				NZ \$2.0b	

TAM \$135.9b

(AUS TAM \$110.3b + NZ TAM \$25.6b)

Value accretive transaction

FY21 key financial metrics

	Builderscrack ¹ (NZ\$m)	hipages Group (A\$m)
Total revenue	2.6	55.8
Revenue growth	24%	19%
EBITDA before significant items	1.0	11.6
EBITDA margin	37%	21%

FY22 financial impact

A\$2.3m additional revenue for seven months post completion in FY22
 No material impact on hipages Group's EBITDA and EBITDA margin

Disclaimer

Important notice

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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”, 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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