

”

I found James very personable, very knowledgeable and more than anything, he came across very genuine (a lot of the other agents didn't!). I signed up on the spot and never looked back.

James Price

🏠 TRUSTPILOT ★★★★★

”

We were a little unsure about using Purplebricks at first, but we needn't have worried - our agent Michelle Pyle reassured us and made everything seem so simple and straightforward. She was always available, even over Xmas and New Year.

Peter Wyatt

🏠 TRUSTPILOT ★★★★★

”

From the start the process was very simple and we loved the control we had over things. You can do everything 24/7 including arranging viewings. Our agent Hayley was excellent and we could talk to her 6pm on a Saturday evening!

Ann-Marie Wylde

🏠 TRUSTPILOT ★★★★★



Interim Results Presentation
26th January 2016

Today's agenda

1. Highlights - *Michael Bruce*
2. Financial Review - *Neil Cartwright*
3. Strategic Overview - *Michael Bruce*
4. Summary and Q&A



No. 1
Startups 100 List



Winner
Tech Business of the Year 2015
Innovative Business of the Year 2015
Business of the Year 2014



Winner



Shortlisted



Shortlisted
Innovative Company of the Year



1. Highlights

Highlights

1. Revenue growth of 777% to £7.2m (H1 2014: £0.8m)
2. Completed full national rollout across the UK
3. Local Property Expert recruitment increased in the period by 90% to 150 at the end of October 2015 and is 178 by the end of January 2016
4. Share of online market increased from 43% in April 15 to 60% at the end of October 2015
5. Became the 4th largest estate agent in the UK based on the number of fee paying customers
6. Launched the inhouse Data Sales Unit in October 2015 to develop and analyse the database to drive sales
7. Successful flotation on the Alternative Investment Market in December 2015



2. Financial review

Income statement

	H1 2016	H1 2015
	(£M)	(£M)
Revenue	7.2	0.8
Cost of sales	(3.1)	(0.4)
Gross Profit	4.1	0.4
Administrative expenses	(3.8)	(1.8)
Sales and marketing costs	(6.6)	(1.1)
Operating loss	(6.4)	(2.5)
Finance expenses	0.0	0.0
Loss before tax	(6.4)	(2.5)
Taxation	0.0	0.0
Loss for the period	(6.4)	(2.5)
Reconciliation of Operating Profit to Adjusted EBITDA		
Operating loss	(6.4)	(2.5)
Less: Depreciation and Amortisation	0.1	0.0
EBITDA	(6.3)	(2.5)
Less: Share based payments charge	(0.3)	0
Adjusted EBITDA	(6.0)	(2.5)

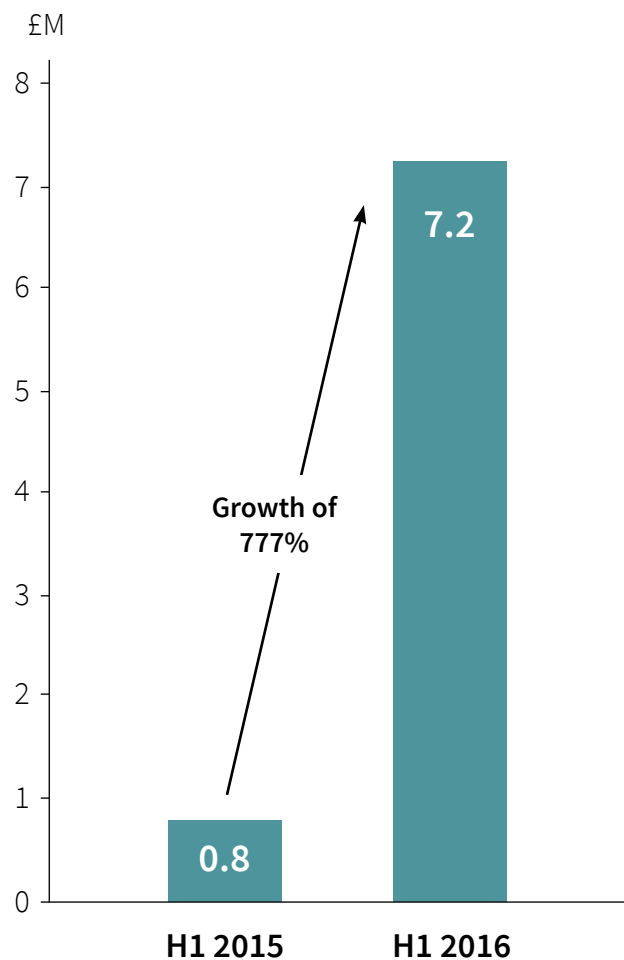
- Strong top line growth at 777% vs. H1 2015
- Gross margin improvement from 54.1% to 56.4%
- Significant investment in media advertising to build brand presence and leverage first mover advantage
- Share based payment charge of £300k reflecting share option incentives to reward and retain staff

Notes

1. Adjusted EBITDA is defined by the Group as loss/profit before tax, depreciation, amortisation, net finance costs and Share based payments charge
2. Certain financial data have been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data

Revenue growth driven by national rollout

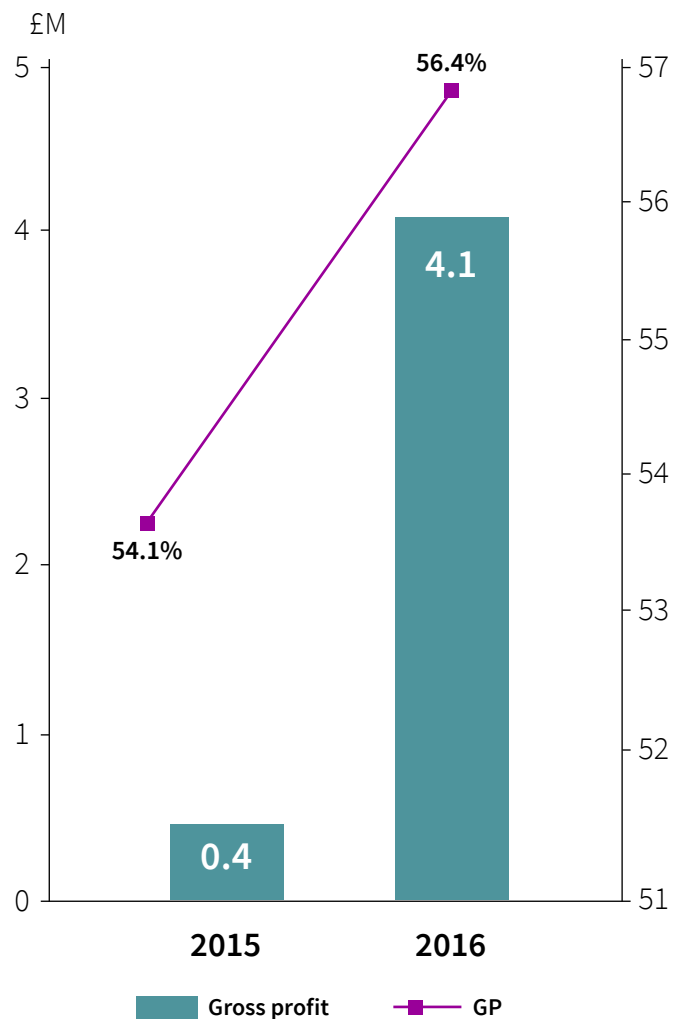
Strong revenue growth



- Significant LPE recruitment in period up 90% to exit October 2015 at 150 headcount
- New regions launched in period within London and Northern Ireland
- Instructions complemented by additional services:
 - Accompanied viewings
 - Premium display
 - Energy Performance Certificates
 - Conveyancing
 - Mortgages

Improving Gross Margin

Gross Profit and Gross Margin Progression



Gross margin increased by 230 bps from H1 October 2015 to H1 October 2016 due to:

- Higher proportion of self-employed LPE's entering service at variable cost
- Effect of third party commissions starting to gain traction

Sales growth outpacing cost investment

	H1 2016	H1 2015	Growth
	(£M)	(£M)	
Sales and marketing costs	6.6	1.1	490%
% of sales	92.4%	137.3%	
Administration costs	3.8	1.9	106.6%
% of sales	52.7%	237.5%	
Total Expenses	10.4	3.0	252.7%

Significant advertising and marketing spend increased due to:

- Brand establishment on national basis
- Investment in TV, radio and digital spend

Administration costs increased as business scales operations to deliver growth. Investment predominantly in:

- Software/technology development resource and IT infrastructure
- Office relocation within Solihull during May 2015
- Creation of Data Sales Unit in Solihull in October 2015 for business development opportunities

Strong balance sheet

	H1 2016	H1 2015
	(£M)	(£M)
Intangible assets	0.2	0.1
Property, plant and equipment	0.1	0.0
Non current assets	0.3	0.1
Trade and other receivables	1.5	0.4
Cash and cash equivalents	9.7	7.2
Current assets	11.2	7.6
Total assets	11.5	7.7
Trade and other payables	(2.9)	(0.5)
Deferred income	(0.3)	(0.0)
Total liabilities	(3.2)	(0.5)
Share capital	0.0	0.0
Share premium	22.3	12.3
Share based payments reserve	0.4	0.0
Retained earnings	(14.4)	(5.1)
Shareholders' funds	8.3	7.2
Equity and liabilities	11.5	7.7

- Strong balance sheet with £9.7m cash as at October 2015
- Net cash position bolstered by net £22.8m of growth capital raised in the December listing

Cash flow statement

	H1 2016	H1 2015
	(£M)	(£M)
Adjusted EBITDA	(6.0)	(2.5)
Movement in working capital	1.3	0.2
Net cash flow from operations	(4.7)	(2.3)
Cash flow from investment activities	(0.2)	0
Cash flow from financing activities	10.0	8.1
Net increase in cash	5.1	5.8
Cash at beginning of year	4.6	1.4
Cash at 31 October 2015	9.7	7.2

- High cash conversion in the period
- Low working capital requirement as a consequence of the deferred payment option provided by Close Brothers
- Private £10m raising completed in June 2015 to accelerate marketing effort and grow brand recognition



3. Strategic Overview

The Next Generation Estate Agent

Combining first class professional people with technology to deliver an excellent customer experience at a fantastic price.



Changing the landscape

The opportunity for the very best estate agents in the UK to be their own boss

We give our Local Property Experts



A BRAND



**ADVERTISING
& MARKETING**



**AN
INFRASTRUCTURE**



**VALUATION
OPPORTUNITIES**



**FIRST CLASS
TECHNOLOGY**



**24/7
SUPPORT**

Empowering them to create their own scalable, profitable business

Combining people with technology

Technology that acts like the perfect professional estate agent partner

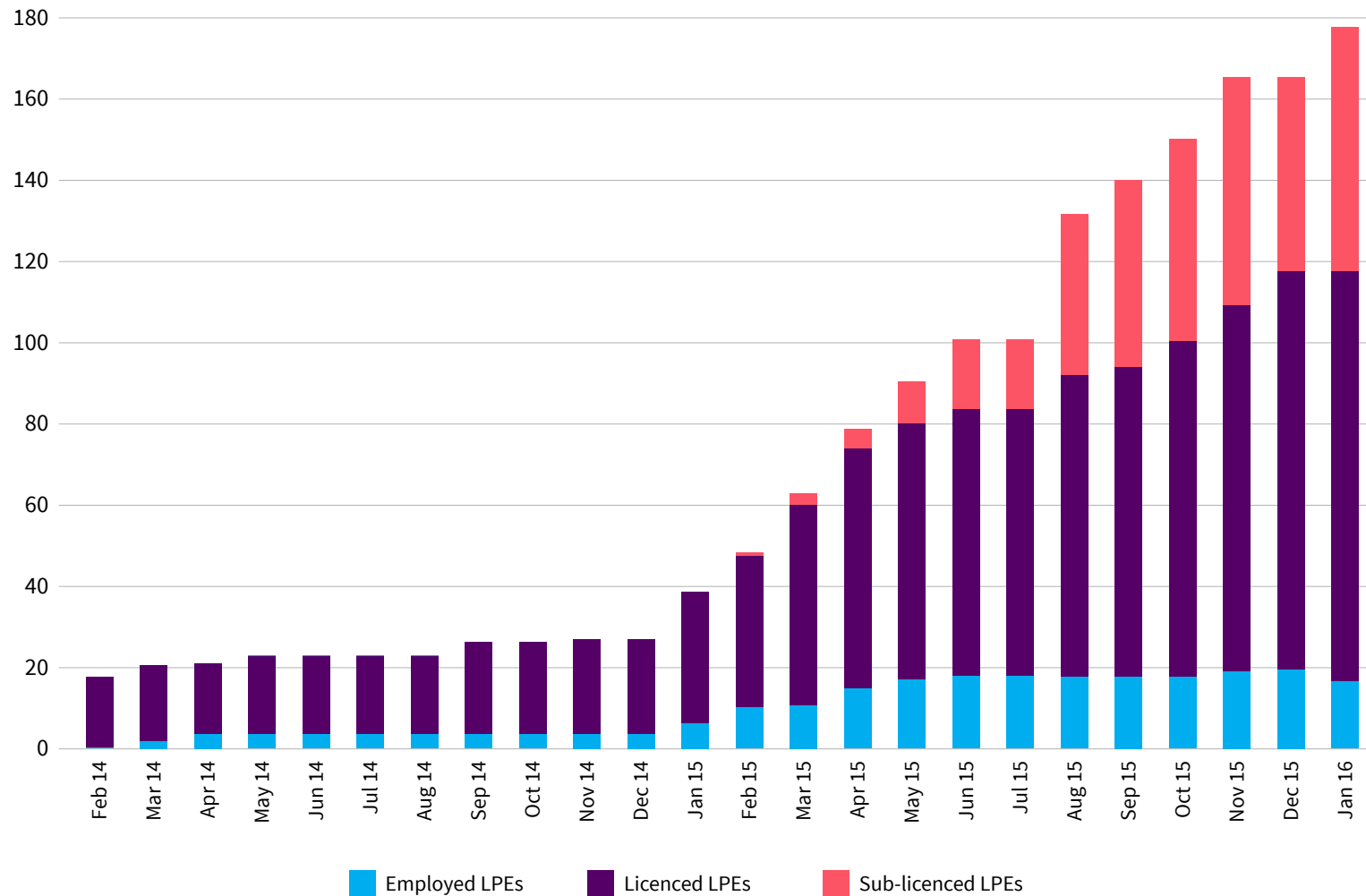
- ✓ Reliable - never ill, never late, never on holiday, never sleeps, always works at their optimum level
- ✓ Books their valuation
- ✓ Arranges their viewings
- ✓ Handles all of their instructions
- ✓ Orders their EPC's and boards instantly
- ✓ Gets the property particulars approved and onto the property portals
- ✓ Collects and provides their customers with feedback
- ✓ Updates their customers on their marketing when they want to be updated
- ✓ Provides advice when the customer needs it
- ✓ Changes the price when required
- ✓ Receives and negotiates offers
- ✓ ***And they work 24 hours a day***

Delivering on our promises

Estate agents want to be LPEs

- ✓ All Local Property Experts go through a rigorous training and recruitment programme
- ✓ They are some of the most experienced estate agents in the industry who want to run their own businesses
- ✓ Most are self-employed (90% soon to be 98%)
- ✓ They have their own postcode to postcode region
- ✓ They engage people within their territory to act as a Local Property Expert (subject to the same recruitment and training programme) – continuing the plan of becoming ultra local
- ✓ They build their business and grow capital worth in their territory
- ✓ They earn more money
- ✓ They are more productive
- ✓ Technology acts as the custodian for ensuring we deliver first class customer service

Growth of Local Property Experts



Local Property Expert successes



Lora Hollingworth

No. 1

in Nottingham postcodes
out of **247** agents



Samantha Sullivan

No. 1

in Cardiff postcodes
out of **162** agents



James Humphries-Stone

No. 1

in Basingstoke postcodes
out of **79** agents



Mark Slade

No. 2

in Wolverhampton postcodes
out of **199** agents

Top Five

1. Purplebricks

2. Haart
3. Location
4. Sequence
5. Your Move

Top Five

1. Purplebricks

2. Payton Jewell
3. Guy Thomas
4. Peter Morgan
5. Express Estate Agency

Top Five

1. Purplebricks

2. Romans
3. Loddon
4. Barons
5. Gascoigne Pees

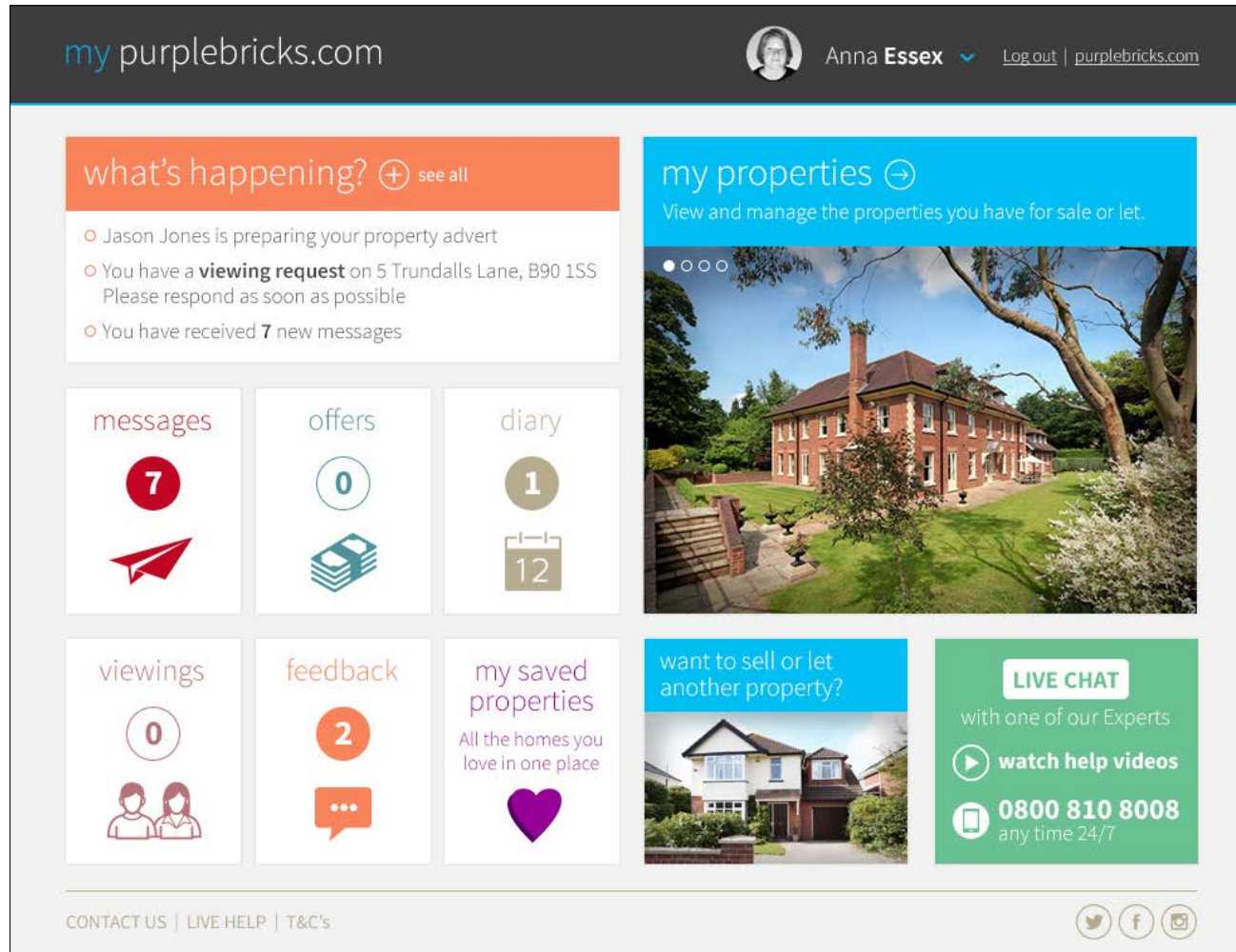
Top Five

1. Connells
2. Purplebricks

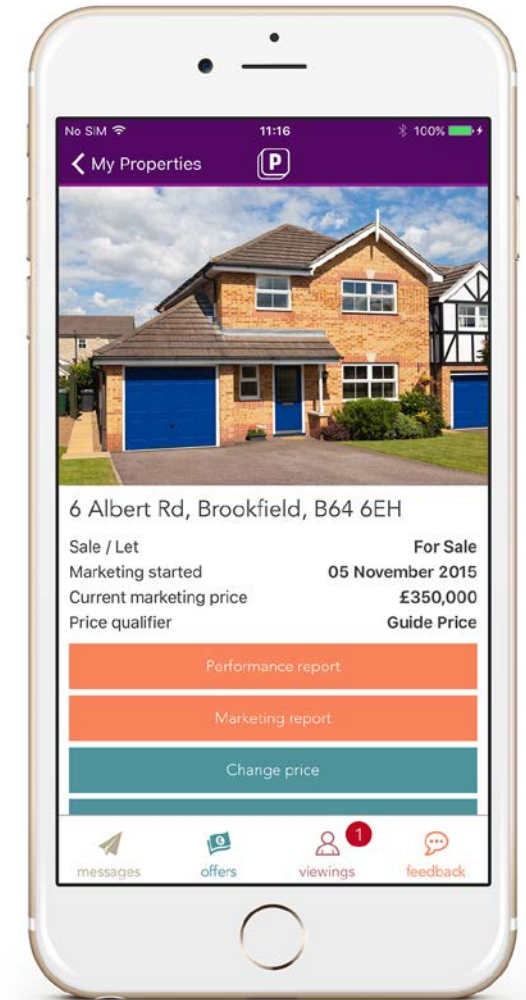
3. L & S Prestige
4. Berriman
5. Your Move

Source: Rightmove Plus, period 03/01/16 to 16/01/16.

Technology - delivering what we promise



Desktop



New App

Purplebricks on Trustpilot



over
3,500
independent
customer
reviews

rated
9.4
Excellent



6x
more reviews
than nearest
competitor

"We sold our home within a week on Purplebricks, there was no stress or hassle, everything was explained in full detail by our Local Property Expert. He made the whole experience worry free for both myself and my wife."

Henry McCullough



"The whole process of selling my property was simple, straightforward and efficient and was very well supported by my local sales agent. I would highly recommend this website to anyone thinking of selling their property."

Hugh McDade



"My experience with Purplebricks has been a whirlwind! I cant believe how easy it has been. Two viewings and an offer accepted in 17 days! Our agent Steph has been amazing, she is always available, regardless of what time of day it is."

Donna Loftus



Delivering cost effective value and first class service

What's in it for the customer?

- ✓ They pay a fraction of the cost of a traditional estate agent
- ✓ They get a first class Local Property Expert who retains responsibility for delivering on the service until they move home
- ✓ Their house can be live on the market in under an hour anytime 24/7
- ✓ We can undertake all the viewings for an additional fee
- ✓ They get access to the Purplebricks eZie platform
- ✓ Access to their LPE and they can speak to someone 24/7
- ✓ They can instantly see everything that is happening with the sale of their property
- ✓ App being launched for further convenience
- ✓ They can use our mortgage and conveyancing services, purchase insurance and other products and services
- ✓ They get support from our Post Sales Support team once their house is sold through to them moving home

Marketing & Data - Driving activity & market share



Joby Russell
Chief Marketing Officer



James Kydd
Marketing Director



David Kelley
UX & Conversion Manager



Anna Essex
Design Manager

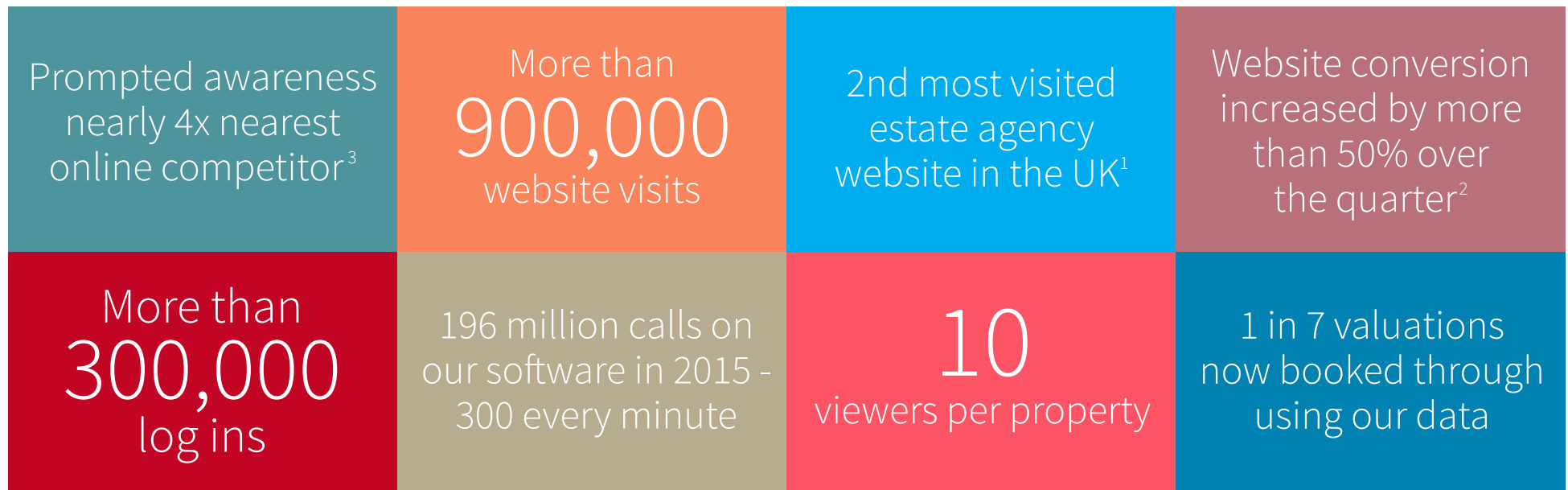
- **TV**
- **Radio**
- **Brand PPC**
- **Generic PPC**
- **YouTube**
- **Retargeting**



Marketing & Data - Driving valuation requests

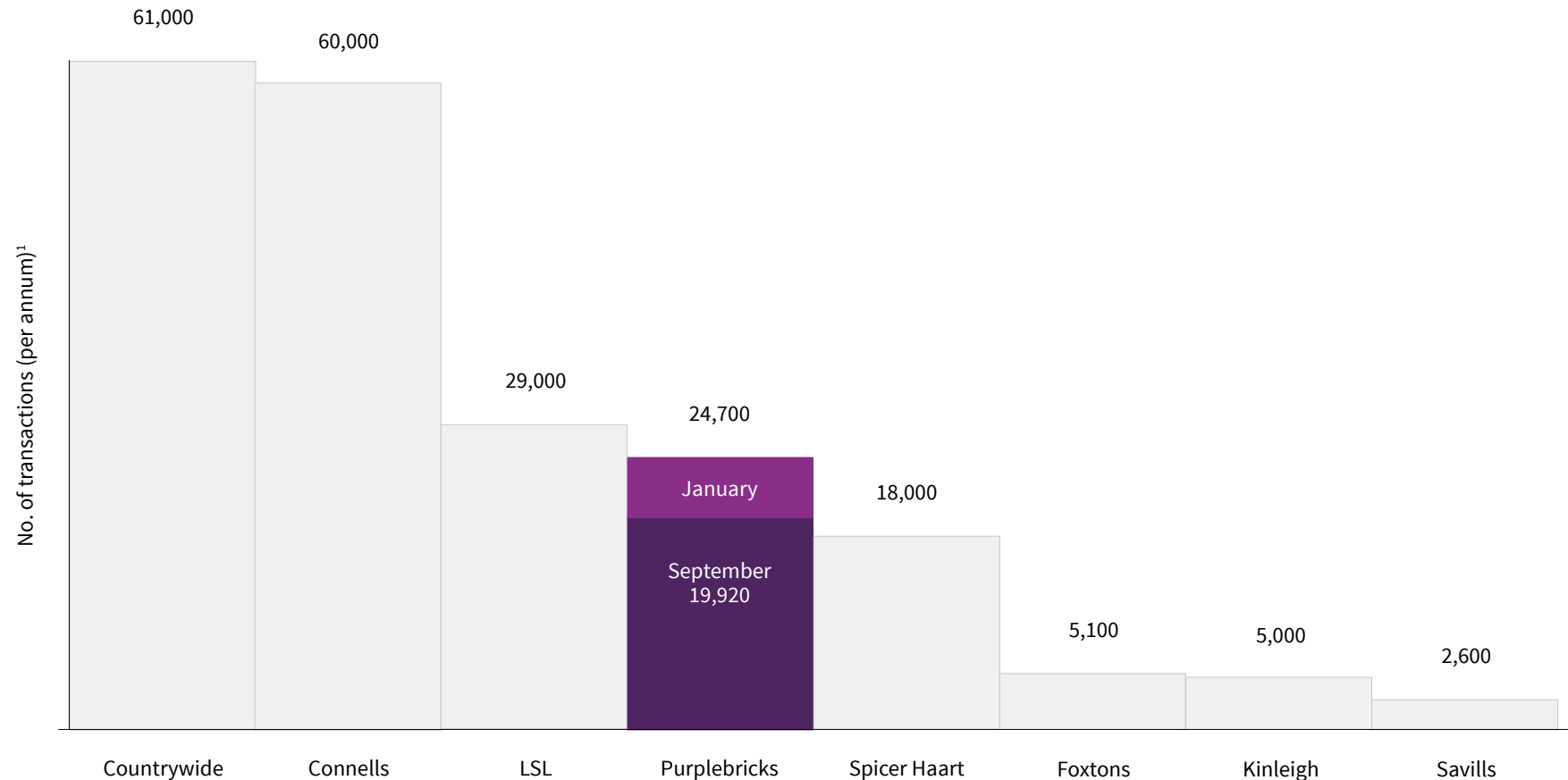
The power of DATA and BOARDS -
Data drives revenue and 'boards breed boards'

JANUARY 2016



¹Source: HITWISE; ²Source: Google Analytics; ³Source: Survey - YouGov for Sellingup.com - December 2015.

Purplebricks is already a major national agency

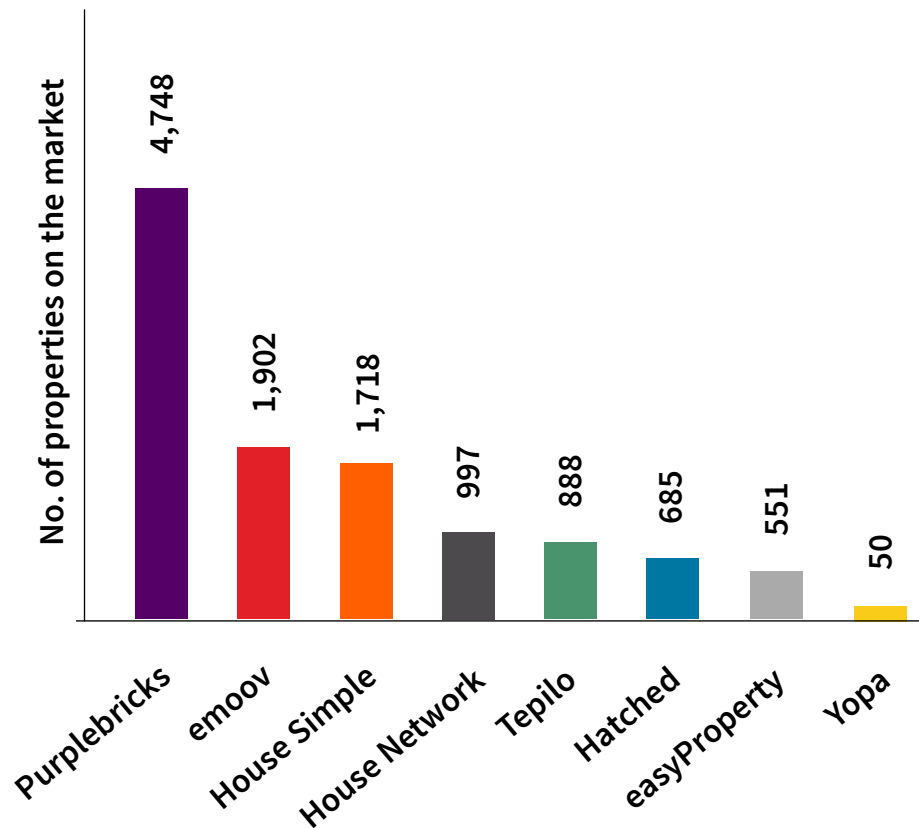


¹ Purplebricks figure is based on annualised number of instructions received in January 2016 to date, which is higher than the actual number of instructions received over the year to January 2016. The other figures have been obtained from publicly available information or estimated by management, may request different 12 month periods and are based on completed sales numbers.

Online market share

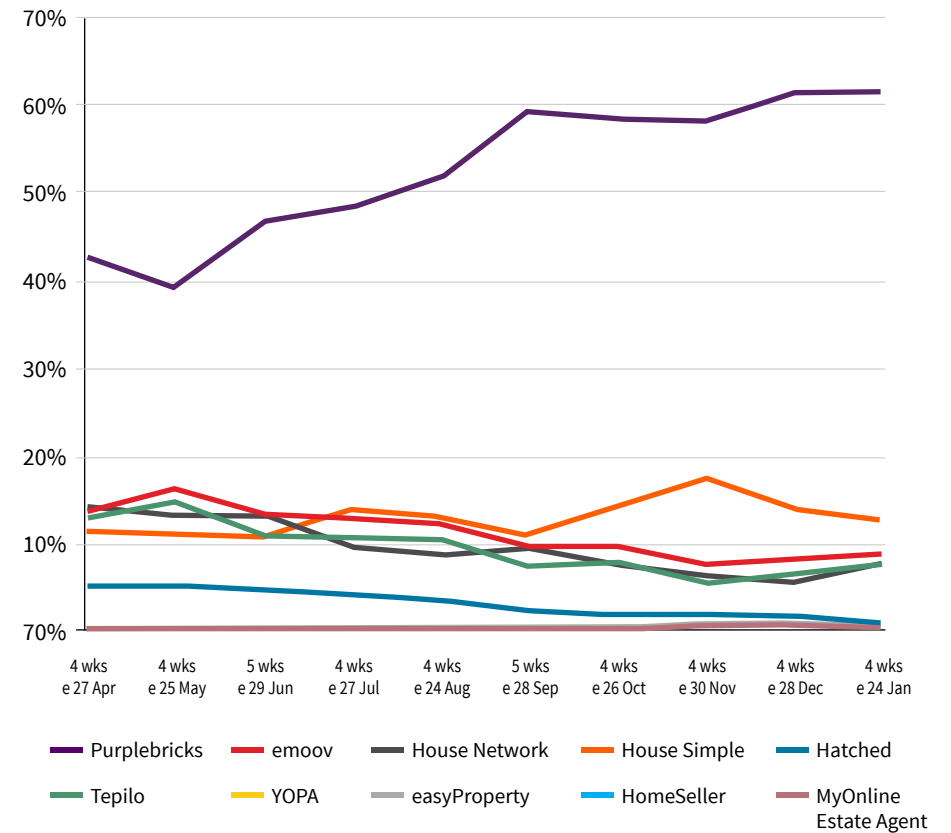
Purplebricks' position within the Top 6 online estate agencies

Share of properties for sale



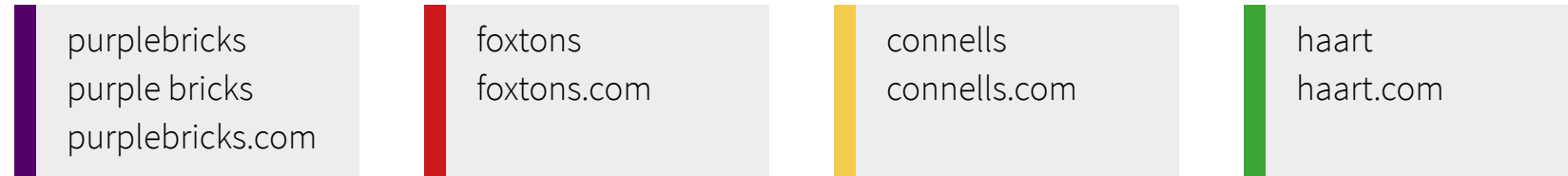
Source: Zoopla. Figures represent residential properties for sale listed as at 25/01/2016.

Share of new instructions (Apr 2015 - Jan 2016)

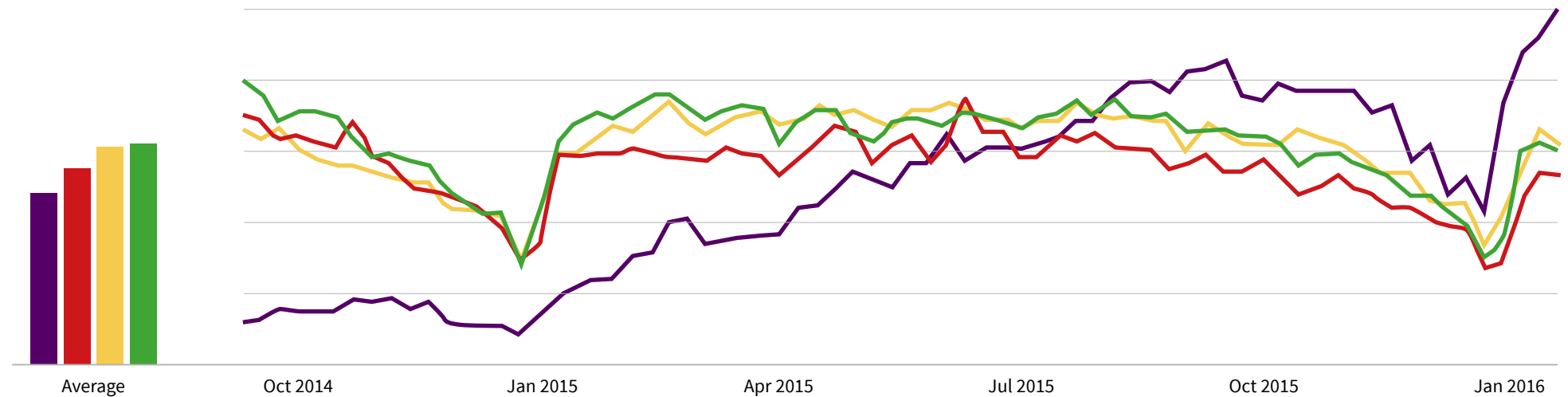


Google search traffic vs. high street agents

Search terms



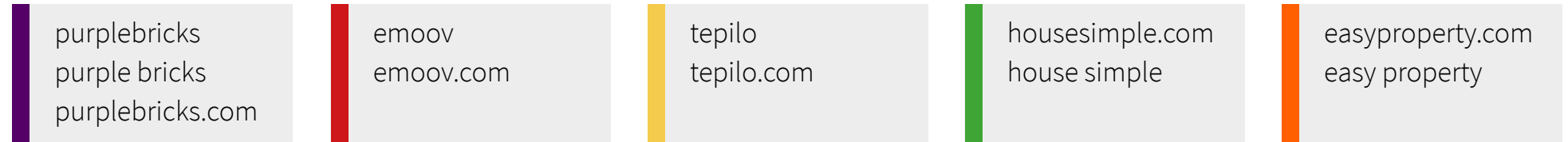
Google search volumes



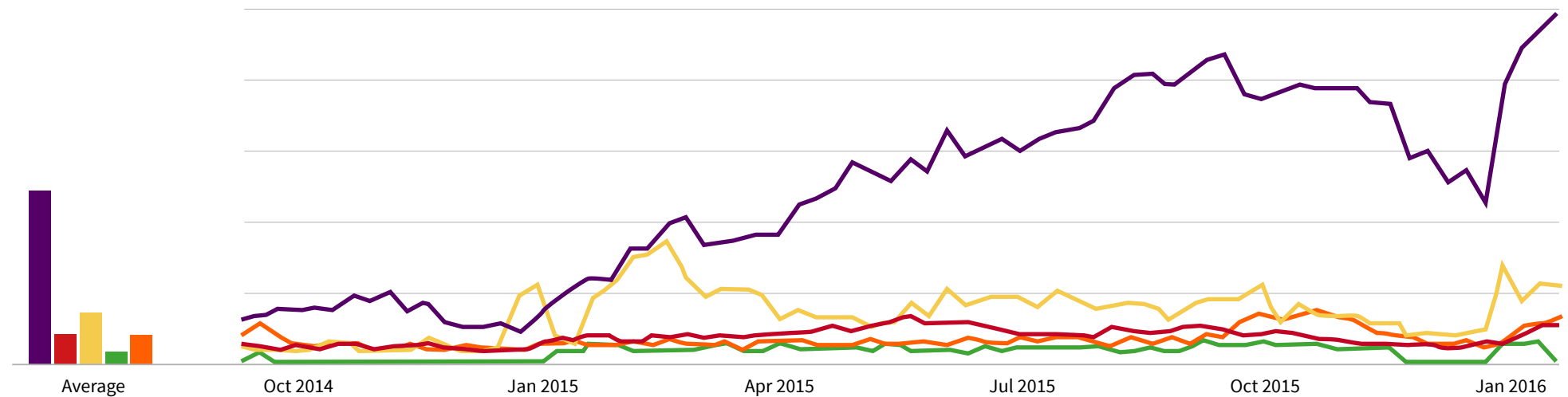
Source: Google Trends
Period: September 2014 - January 2016

Google search traffic vs. online agents

Search terms



Google search volumes



Source: Google Trends
Period: September 2014 - January 2016

Focused on execution

- **Continue to recruit first class Local Property Experts**
 - Aim to double LPE numbers by April 2017
- **Build on leading technology platform**
 - Launch of app in H2 and further new features
- **Increase awareness through advertising, marketing and PR**
 - New marketing campaign has been well received
- **Optimise data**
 - Data Sales Unit launched in October to drive sales opportunities
- **Introduce new products and services**
- **Current trading and outlook**
 - Good start to H2 – on-course to meet the board's full year expectations
 - January 2016 expected to exceed 2,000 instructions
 - Activity levels continue to grow

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This presentation includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believe”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts and include statements regarding the Company’s intentions, beliefs or current expectations.

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