



End of Year Results Presentation

29th June 2017

Today's agenda

Purplebricks – realising the opportunity

1. Business Highlights - Michael Bruce

2. Financial Highlights - James Davies

3. Strategic Overview - Michael Bruce

- A lifetime relationship through service - Lee Wainwright
- Our Australian business - Ryan Dinsdale



Shortlisted



Winner
Best Newcomer to TV



No. 1
Startups 100 List



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



Shortlisted



1. Highlights

Business Highlights - UK

Revenue up 132% (Group up 151%)	Local Property Experts increased by 118% to 448 (2016: 205)	EBIT Profitable	Online market share increased to 72% ¹ (2016: 62%)
Year on year instructions increased by 94%	Ended year with 5,497 instructions in April 2017 (April 2016: 2,827)	Average revenue per instruction £1,035 (April 2016: £901)	Conversion from instruction to sale agreed over 83% ²
Sale agreed every 9 minutes 24/7 ³	Current monthly rate of sales agreed of 4,979 May 2017 (May 2016: 2,386)	Sold and completed on £5.80 bn (2016: £2.77 bn)	Current SSTC pipeline £3.69 bn (2016: £1.69 bn)
Over 20,000 reviews on Trustpilot - the most reviewed estate agent in the UK		Currently over 2.50 m monthly visits to our website (2016: 1.23m)	

¹Rightmove statistics April 2017. ²Percentage against all instructed properties May 2016 - April 2017. This may represent the minimum conversion assuming those properties still on the market sell hereafter.

³Based on sales agreed in May 2017. ⁴Period ending 28 June 2017.

Business Highlights - Australia

Performance in first **8 months since launch**



¹Percentage of sales agreed against all instructed properties September 2016 – March 2017 as of June 2017. ²Period ending 28 June 2017.



London
Stock Exchange Group

2. Financial Review

Group Financial Highlights

Revenue growth

+151%

to £46.7m

(2016: £18.6m)

Average revenue
per instruction

£1,088

(2016: £901)

Gross profit

+144%

to £25.8m

(2016: £10.6m)

Adjusted EBITDA¹
pre marketing costs

£13.7m

(2016: £3.2m)

Adjusted EBITDA¹

(£4.5m)

(2016: (£9.7m))

Loss before tax
reduced to

(£6.1m)

(2016: (£11.9m))

The basic and diluted loss
per share improved to

(£0.01)

(2016: (£0.12))

Cash

£71.3m

(2016: £30.5m)

¹Defined by the Group as (loss)/profit before tax, depreciation, amortisation, net non recurring fund raising / IPO costs and share based payment charges.

Income statement - UK

	UK		
	FY 2017	FY 2016	% Variance
	(£m)	(£m)	
Revenue	43.2	18.6	132%
Cost of sales	(18.9)	(8.0)	137%
Gross Profit	24.2	10.6	129%
GP%	56.1%	57.0%	
Administration expenses	(9.6)	(9.6)	-
Sales and marketing costs	(14.4)	(12.9)	12%
Operating profit/(loss)	0.2	(11.9)	102%
Finance income/(expenses)	0.1	0.0	
Profit /(loss) before tax	0.3	(11.9)	
Taxation	2.9	0.0	
Profit/(loss) for the period	3.2	(11.9)	

Adjusted EBITDA	1.7	(9.7)	117%
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- Significant sales growth
 - First full year of national footprint
 - LPEs up 118% to 448 at 30 April 2017
- Gross margin
 - Uplift from H1
 - Enhanced customer offering and national reach stabilised the margin for the year at 56%
- Total administration costs are flat
 - IPO costs in PY numbers - underlying rise of 12%
 - Operational leverage continues
- Sales and marketing
 - 12% increase reflects a highly effective campaign
- Deferred tax
 - Credit from recognised deferred tax asset

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.

Income statement - Australia

	Australia	
	FY 2017	FY 2016
	(£m)	(£m)
Revenue	3.5	-
Cost of sales	(1.9)	-
Gross Profit	1.6	-
GP%	45.7	
Administration expenses	(3.9)	-
Sales and marketing costs	(3.8)	-
Operating profit/(loss)	(6.1)	-
Finance income/(expenses)	(0.2)	-
Loss before tax	(6.3)	-
Taxation	0.0	-
Loss for the period	(6.3)	-
Adjusted EBITDA	(6.1)	-

- Revenue achieved in line with expectations
 - National footprint now in place
 - LPEs at year end of 77
- Gross margin
 - Yet to stabilise as business mix is developed
- Sales and Marketing
 - Learnings from UK
- Adjusted EBITDA of £(6.1)m is after adding back the finance charge
- Investment profile is in line with initial expectations

Income statement - Consolidated

	Consolidated		% Variance
	FY 2017	FY 2016	
	(£m)	(£m)	
Revenue	46.7	18.6	151%
Cost of sales	(20.9)	(8.0)	
Gross Profit	25.8	10.6	143%
Administration expenses	(13.6)	(9.6)	42%
Sales and marketing costs	(18.2)	(12.9)	41%
Operating loss	(6.0)	(11.9)	
Finance income/(expenses)	(0.0)	0.0	
Loss before tax	(6.0)	(11.9)	
Taxation	3.1	0.0	
Loss for the period	(2.9)	(11.9)	

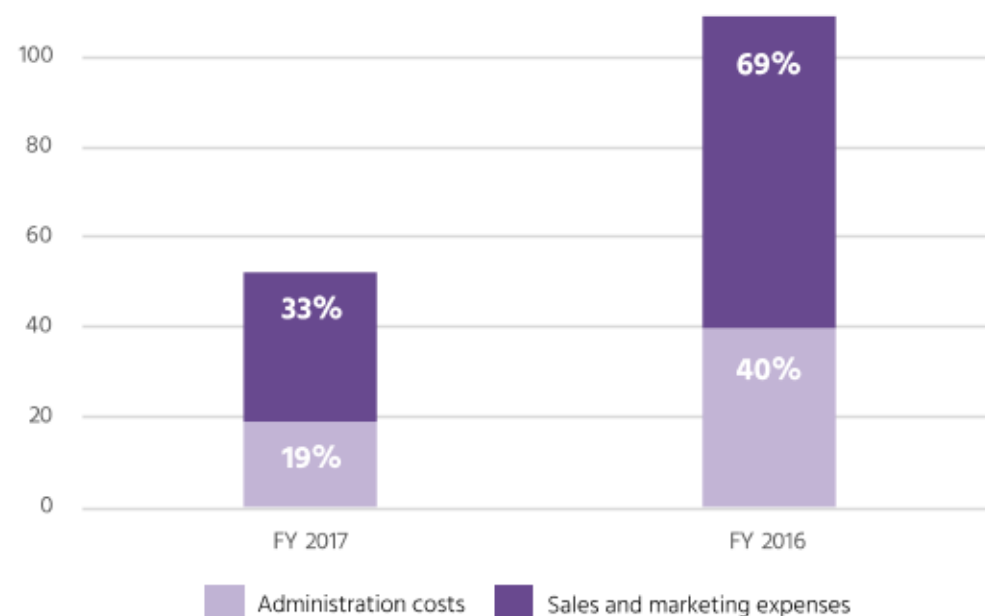
Adjusted EBITDA	(4.5)	(9.7)	
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- Group revenue growth of 151%
- Gross profit growth of 143%
- Gross profit margin yet to normalise as Australia remains in growth phase
- Both administration expenses and marketing spend increasing at 42% and 41% respectively

Cost contribution analysis - UK

Year ended 30 April (m)	FY 2017	FY 2016	Growth
Revenue	43.2	18.6	132%
Underlying administration costs	8.3	7.4	12.2%
% of sales	19%	40%	
Sales and marketing costs	14.4	12.9	11.6%
% of sales	33%	69%	
Adjustments ¹	1.3	2.2	
Total non-direct costs	24.0	22.5	

Evolution of administration costs and sales and marketing expenses as a % of sales



¹ Includes IPO costs and share based payments

Strong balance sheet - Consolidated

	2017	2016
	(£m)	(£m)
Deferred tax asset	3.1	-
Intangible assets and goodwill	5.4	0.4
Property, plant and equipment	0.7	0.2
Non current assets	9.2	0.6
Trade and other receivables	4.9	2.9
Cash and cash equivalents	71.3	30.5
Current assets	76.2	33.4
Total assets	85.4	34.0
Trade and other payables	(7.3)	(5.2)
Deferred income	(2.3)	(0.8)
Derivative financial instruments	(0.1)	(0.1)
Deferred tax liabilities	(0.2)	-
Total liabilities	(9.9)	(6.0)
Share capital	2.7	2.4
Share premium	74.9	25.9
Share based payments reserve	0.7	0.4
Foreign currency reserve	0.1	0.0
Retained earnings	(3.0)	(0.6)
Shareholders' funds	75.4	28.1
Equity and liabilities	75.4	28.0

- Extremely strong balance sheet with £71m of cash
- Debt free
- Intangible assets
 - platform development for UK and Australia
 - goodwill on recent lettings acquisition
- Trade and other payables
 - a function of increasing size of business
- Financial instruments
 - Minor mark to market regarding US FX hedges
- Deferred income
 - £1.5m increase as business grows and business mix develops
- Share premium
 - US placing
 - General option exercising

Consolidated cash flow bridge 30 April 2016 - 30 April 2017





3. Strategic Overview

The next generation estate agent

Investing in a unique opportunity





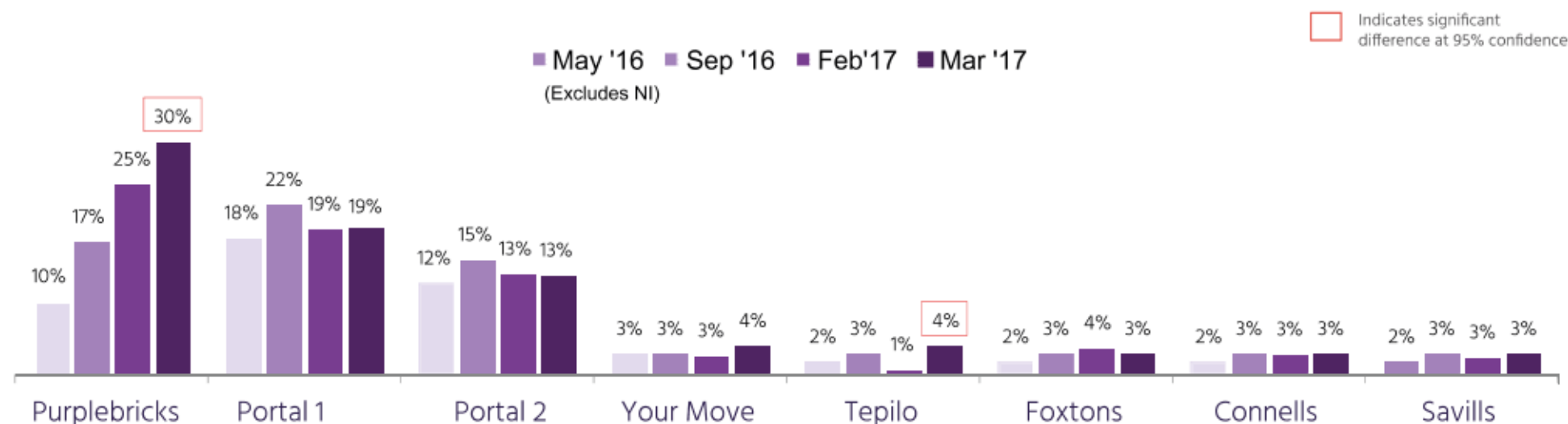
Invest now to maximise the unique opportunity

Unprompted awareness continues to grow

Building now upon a unique opportunity

Spontaneous awareness of Purplebricks has increased significantly since last wave, increasing its lead over competitors

Spontaneous brand awareness – (not showing <3%)

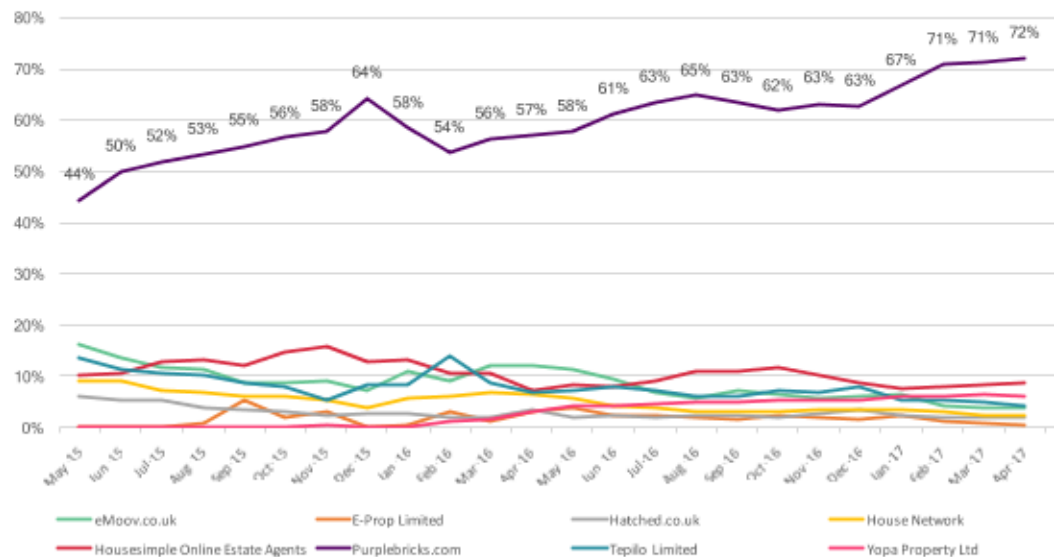


Q2a. If you were thinking of selling your home, what companies would you think of contacting first?
Base: All respondents (1131, 1133, 508, 1021)

Online market share continues to grow

Building now upon a unique opportunity

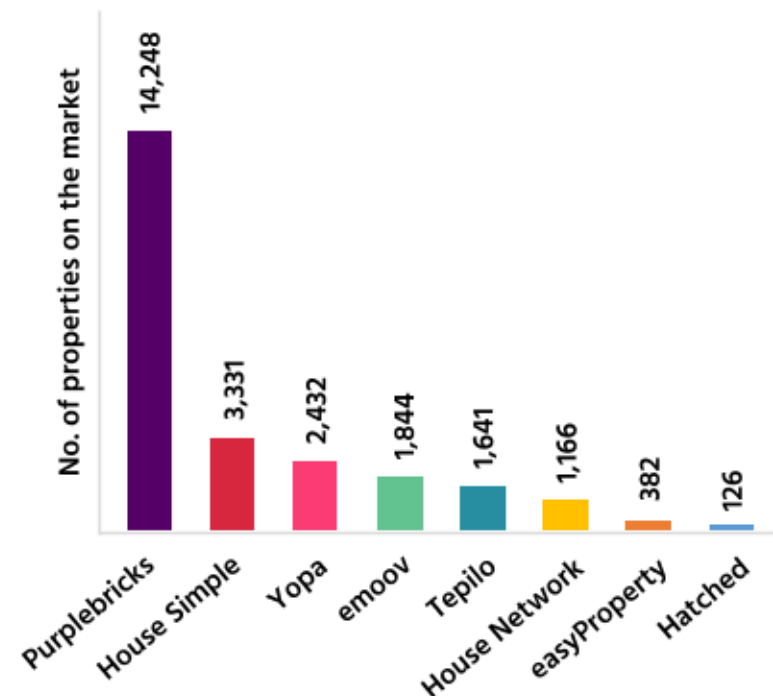
Instructions by online property agents



Source: Rightmove

- Increased the number of instructions
- Increased property stock
- Increased its property sales
- Increased its market share by 50% in year
- More instructions and property sales than all these online agents put together

Share of properties for sale



Source: Zoopla. Figures represent residential properties for sale listed as at 14/06/2017. For commercial reasons we withdraw properties from Zoopla when SSTC.

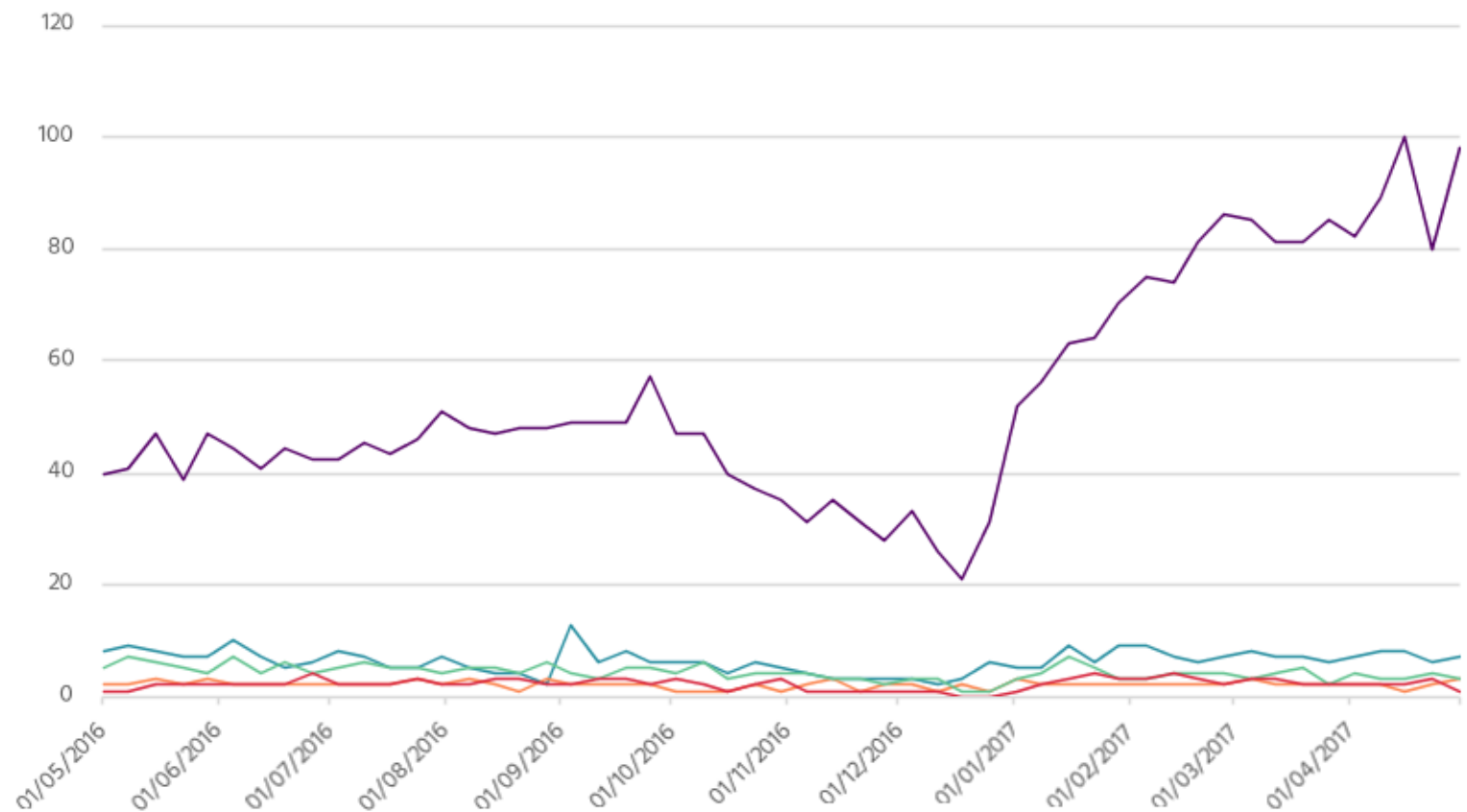
Brand traffic significantly grown against online competitors

Building now upon a unique opportunity

Search terms

Google search traffic vs. online agents

Source: Google Trends Period: May 2016 - April 2017



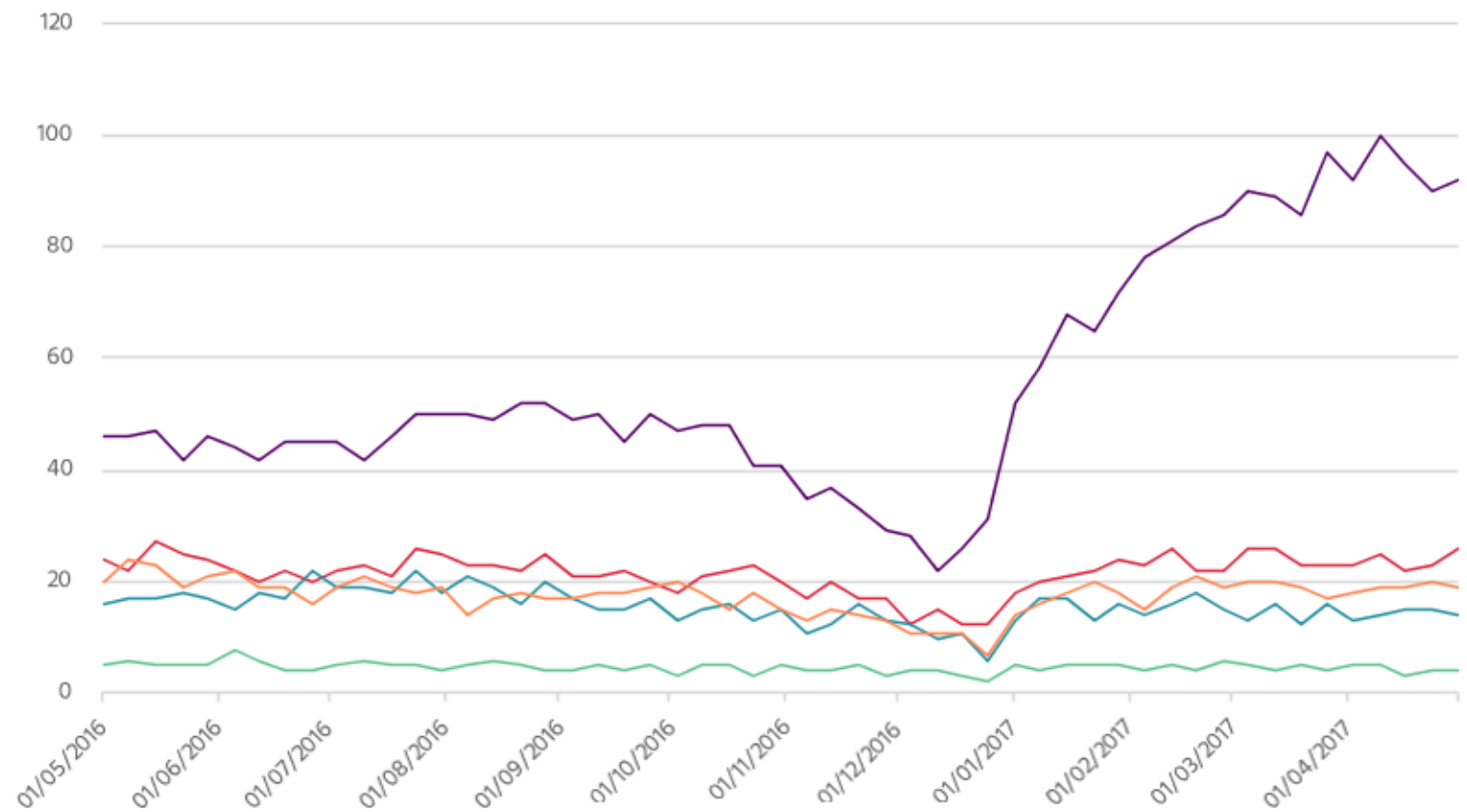
Brand traffic significantly grown against high street competitors

Building now upon a unique opportunity

Search terms

Google search traffic vs. high street agents

Source: Google Trends Period: May 2016 - April 2017



Capitalising on activity

Building now upon a unique opportunity



Unique Visitors

10m

Page Views

132m

Growing database

32k

100's
of instant instructs
every month

Engagement

Up 7%

Book valuation clicks

Up 25%

New users entering funnel

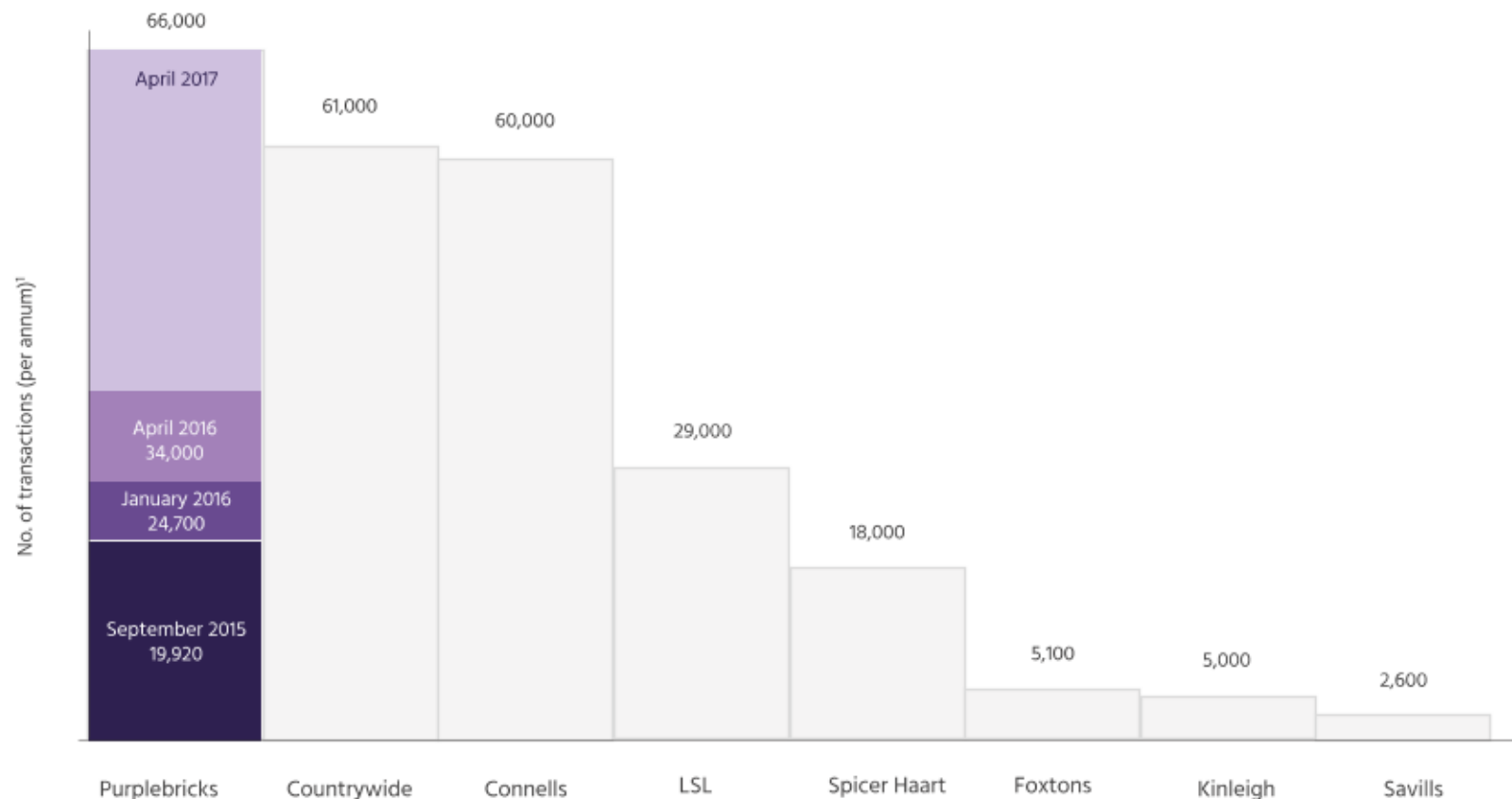
Up 20%

Weekly valuations

Up 3%

Becoming the No 1 estate agent in the UK

Building now upon a unique opportunity

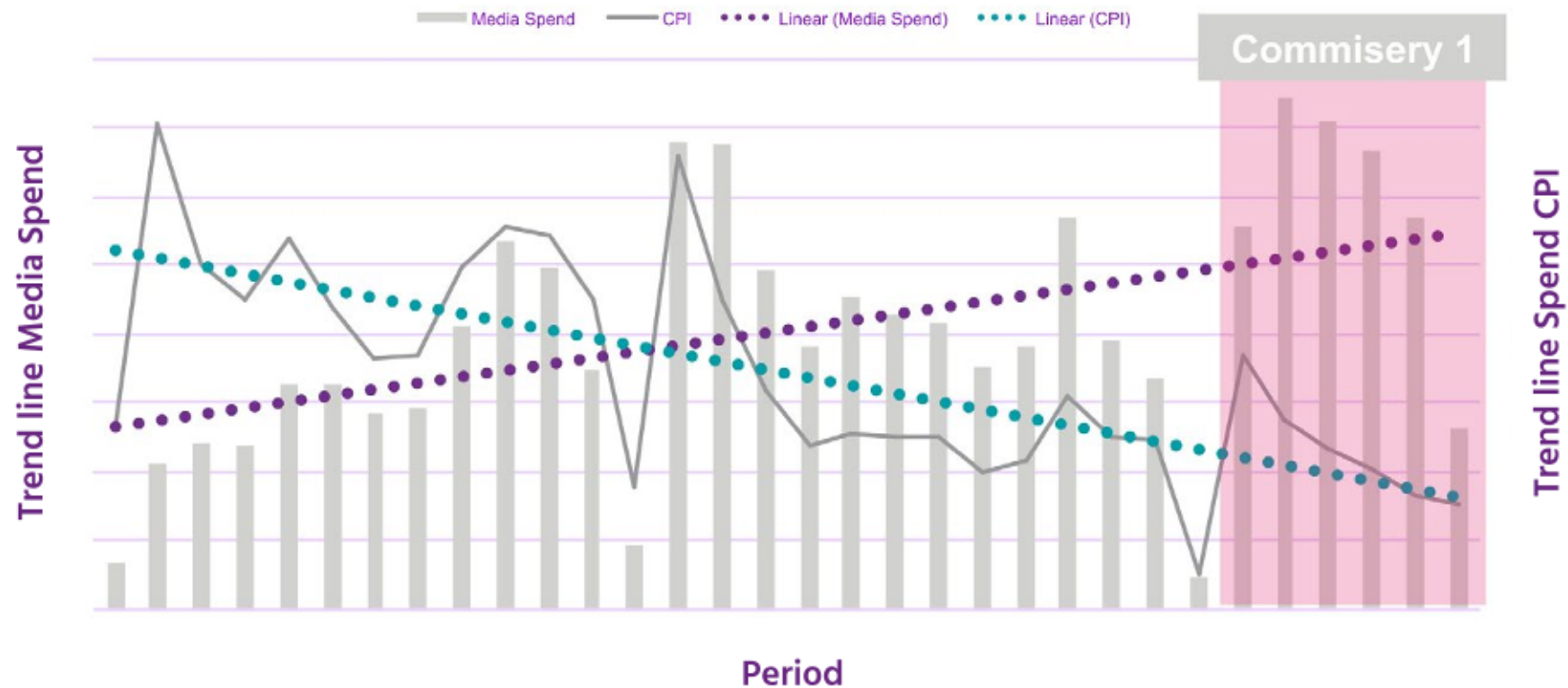


¹ Purplebricks figure is based on annualised number of instructions received in April 2017. The other agents have been obtained from publicly available information or estimated by management, may reference different 12 month periods and are based on completed sales numbers.

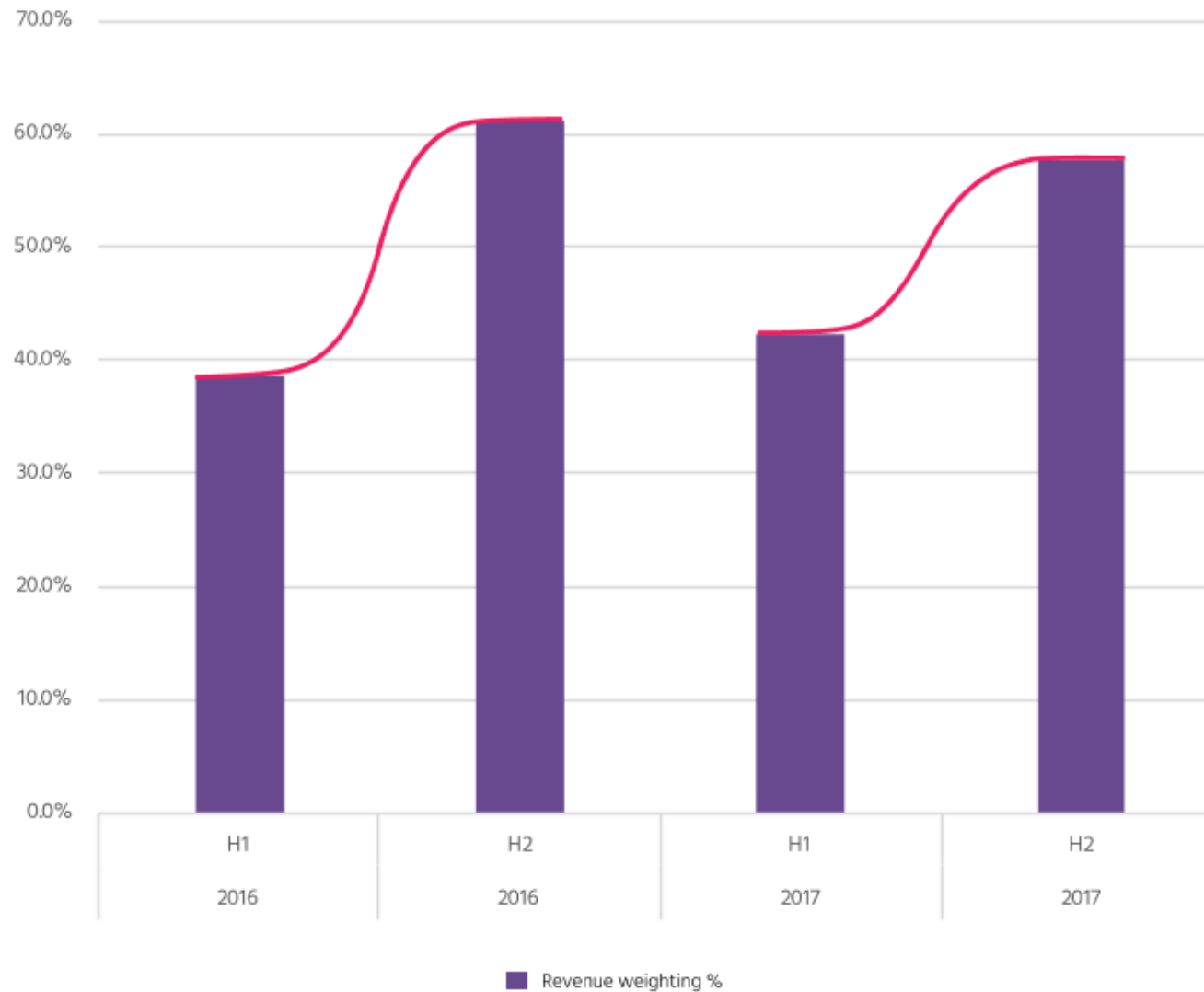
Proven effectiveness of our marketing spend

Beyond marketing convention: “Purplebricks is spending more on marketing but achieving a lower cost per instruction”

Continuing the trend of reducing CPI



Revenue weighting %



No commiseration - getting more for a lot less

TV Campaigns -
the opportunity is here and now!



'Tea break' - commiseration campaign (UK)



'Cake' - commiseration campaign (UK)



'Evening class' - commiseration campaign (UK)



'In laws' - commiseration campaign (UK)



'Cake' - commiseration campaign (AUS)



'In laws' - commiseration campaign (AUS)

The Purplebricks evolution -
An estate agent you can love

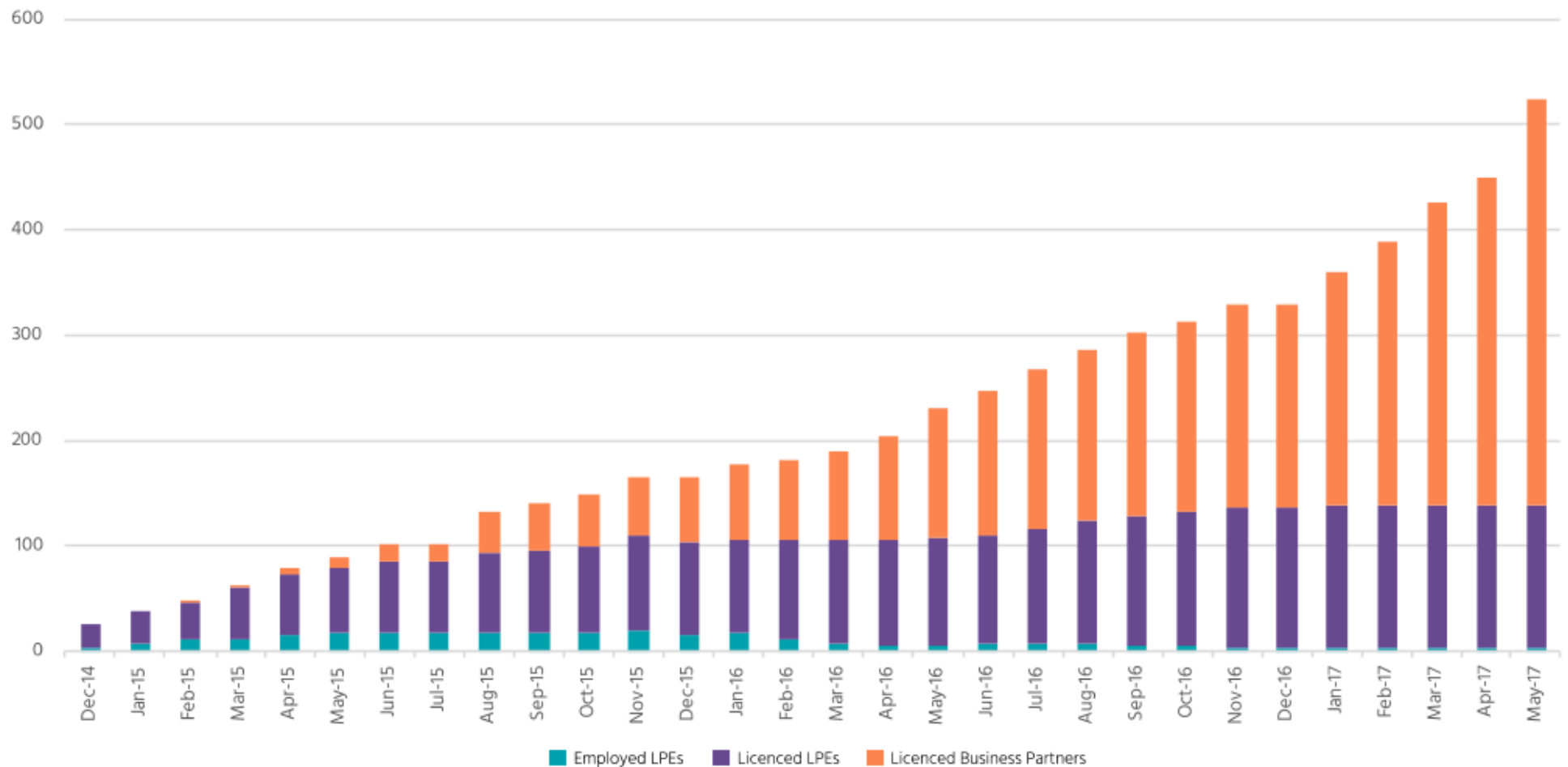




Growth of Local Property Experts

Increasing our LPE footprint

Growth of Local Property Experts



Recruiting for growth

Meeting the customer demand

- Increased the number of recruiters – better positioned than ever
- Increased training capacity – ability to train 100 LPEs a month
- Implemented processes for faster growth – we should grab the opportunity
- The academy and infield people development programme growing



Closed the year at

448 LPEs

Up 121%

Ahead of published
expectations

Up 25%


540

active LPEs
as of 29th June

530

LPEs and staff have share
options

Leading the industry with campaign led recruitment



We need more Colins

"I get to spend more time with customers. I'm not stuck in an office."

Become a Colin

PURPLE BRICKS



Are you the next Kelly?

"Being part of a client's happiness is really important to me."

Become Kelly

PURPLE BRICKS



Be like Lauren

"The wonderful thing about PB is there's no paperwork."

Become Lauren

PURPLE BRICKS



Be more Euan

"I no longer have to leaflet drop because of the amount of TV and radio advertising."

Become Euan

PURPLE BRICKS

Technology that drives better service and faster growth

Technology development team increased by
161%

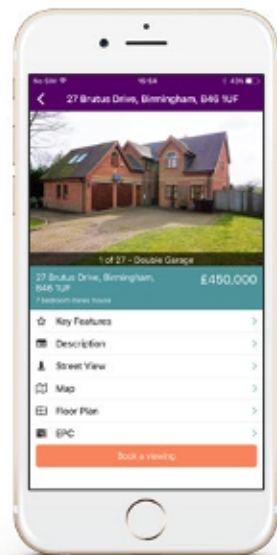
Mobile development team increased by
400%

Achieved
24/7
development with US recruits

Delivered
1,000s
of upgrades and features

Australian
Launch
with state by state roll out

Technology being developed for
US market



- New UK website and buyers app launched, reducing friction, increasing conversion, enhancing the experience
- Technology helping to drive up the number of properties sold
- Best of class tech recruitment training and development programme
- Global tech team established and development/QA process adapted to work over timezones 24/7
- Introduced and integrated with new global payment provider
- Global security partnership
- Introduction of 1st line tech call centre/platform helpdesk
- New automated testing framework introduced
- Hardware investment programme

A technology team, platform and innovation to achieve much greater scale

A lifetime relationship through service



Lee Wainwright

Operations Director

Exceptional service without compromise

- Central Property Experts
- Data Sales
- Concierge
- Conveyancing Sales
- Post Sales Support
- Well positioned for exceptional growth
- Ancillary Sales

Rated **9.5 out of 10** on



Over **20,000** reviews

"Johnathan was excellent from the word go and went the extra mile to ensure we achieved the best possible price for our house, whilst being fair and honest with everyone concerned."

Geoffrey Sumpter

"Professional service, not tied to office hours and 'modern' forms of communication. The user interface for vendors is great."

Alister Mercy

"The customer service, online platform and expertise of our agent Joshua Simpson have been outstanding! They have gone above and beyond our expectations at every stage."

Sheetal Patel

"Matt is an excellent estate agent, friendly approachable and professional with a good knowledge of the local area."

Michael James

Growing our Australian business



Ryan Dinsdale

Chief Executive Officer

Launched

September 2016 -
operating for 8 months

Grown

across Queensland, Victoria,
NSW, Adelaide & Perth

LPEs grown to

77

ahead of UK at this stage

Made adjustments/
tweaks to the model

**LBP's, AV's &
Data Sales**

Proven higher
productivity

LPEs & Model

Instructions

ahead of UK
at this stage

Revenue of

£3.5m (\$5.8m AUD)
ahead of UK at this stage

Deferred Revenue

£0.5m (\$825k AUD)
ahead of UK at this stage

Sold & completed on

£327m
(\$550m AUD)¹

Rated **9.6 out of 10** on



With over **560** reviews -
ahead of UK at this stage

"Gary was very professional, provided exceptional advice relating to price, presentation of my house and ideas to achieve my selling price. My house was sold in 9 days!"

Brad Geisel

"Purchasing via Yvonne at Purplebricks was seamless. From the beginning of the process to the end she was thorough and professional, going above and beyond to keep me informed."

Jane Hunter

We found our dream house with a listing from Purplebricks, dealing with Joshua Singer, and found the whole experience to be a very refreshing twist on the traditional real estate agency formula."

Matej Pribelsky

¹As at the 26th June 2017.

Launching our US business



Eric Eckardt

Chief Executive Officer
US

- Raised approximately £50m
- Central Office East Coast
- Regional Office West Coast
- Launch, marketing, technology on track:
 - Broker Licence
 - MLS appointment and integration
 - Sell side and buy side dynamics
 - Tech
 - Advertising
- Recruitment commenced
- Pricing and strategy to be announced in due course
- Launch region California

Strong management team in place



Eric Eckardt
US - Chief
Executive Officer



Kenny Bruce
Founder & Group
Sales Director



Phil Felice
Vice
President Sales



Jonathon Alder
Chief
Marketing Officer



Andrew Vass
Recruitment &
Training Director



Andrew Harris
Operations
Director

Tech Development hires

Accelerating Purplebricks development

Building now upon a unique opportunity

Guidance 2018

UK
revenues of

£80m

Australia
revenues of

£12m

US two
year investment

\$50m

Increase in H1 UK
marketing costs of

£3.5m

US Launch

Disclaimer

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Appendix

Reconciliation of operating profit to Adjusted EBITDA - UK, Australia and consolidated

UK		
Reconciliation of profit for the period to Adjusted EBITDA		
Year ended 30 April (m)	FY 2017	FY 2016
Profit/loss for the period	3.2	(11.9)
Less: Taxation	(2.9)	0.0
Less: Finance income/(expenses)	(0.1)	0.0
Less: Depreciation and Amortisation	0.5	0.1
EBITDA	0.7	(11.8)
Less: Share based payments charge	0.9	0.6
Fundraising Costs	0.0	1.5
Adjusted EBITDA	1.7	(9.7)

Australia		
Reconciliation of operating profit to Adjusted EBITDA		
Year ended 30 April (m)	FY 2017	FY 2016
Operating loss	(6.3)	-
Less: Finance income/(expenses)	0.2	-
Less: Depreciation and Amortisation	(0.0)	-
EBITDA	(6.1)	-
Less: Share based payments charge	0.0	-
Fundraising Costs	0.0	-
Adjusted EBITDA	6.1	-



Consolidated		
Reconciliation of loss for the period to Adjusted EBITDA		
Year ended 30 April (m)	FY 2017	FY 2016
Loss for the period	(3.1)	(11.9)
Less: Depreciation and Amortisation	0.6	0.1
Less: Finance income/(expenses)	0.0	-
Less: Taxation	(3.1)	-
EBITDA	(5.4)	(11.8)
Less: Share based payments charge	0.9	0.6
Fundraising Costs	0.0	1.5
Adjusted EBITDA	(4.5)	(9.7)