

Moving up the value chain as a marketplace: *Lessons learned*

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With you today



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(SaaS, Mobile Apps,
Marketplaces)

Agenda

1. Flippa introduction	2. Legacy issues	3. Investment in advisory	4. Monetizing non-core revenue streams
1. What is Flippa?	1. The journey to up-market	1. Our marketplace metrics: MPV, GMV, ATV 2. The difference between 'customer support' & advisory 4. Teething issues...so far.. 5. The results...so far...	1. Leveraging our data 2. Stable revenue streams

Flippa.

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Flippa.

What is Flippa?

#1 Marketplace in the world for buying and selling online businesses

Founder

You are a founder of an online business.

\$5 to \$100,000,000

X

Buyer

You are an acquirer of an online business.

Private investor to Private Equity

Connecting these parties through tech and advisory 

Flippa.

What is Flippa?

#1 Marketplace in the world for buying and selling online businesses

450,000
businesses sold

2.5M
registered
buyers

67% of our
deals are
cross-border

20,000 new
buyers sign up
every month

Flippa.

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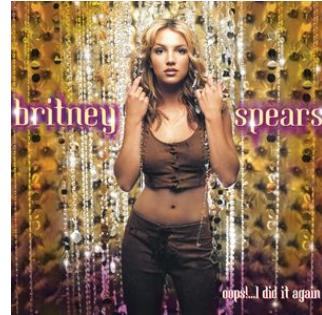
Flippa.

In the beginning...Pre 2000, early 2000's

Domains,
websites, \$5,000
to \$50,000

=

Self-service
with light touch customer support



Flippa.

Online businesses pop up...late 2000's, early 2010's

Domains,
websites
\$5,000 to \$50,000

=

Self-service
with light tough customer support

Blogs, e-comm,
apps
\$100,000 to \$500,000

=

Self-service
with high tough customer support



Flippa.

Side hustle boom, COVID, E-Comm, SaaS...late 2010's to now

Domains,
websites
\$5,000 to \$50,000

=

Self-service
with light tough customer support

Blogs, e-comm,
apps
\$50,000 to \$500,000

=

Self-service
with high tough customer support

SaaS, e-comm,
apps
\$500,000 to \$100M

=

Advisory
Curated M&A Advisory

Our legacy and its impact

- Our sellers did not believe that Flippa could facilitate the trade of larger businesses
- Our sellers did not think we were experts in the lower-middle market
- Our sellers thought that listing their business on our marketplace would negatively impact the perceived quality.



- Our buyers never thought to use Flippa for larger deals
- Sophisticated buyers were never attracted to our platform
- Flippa was perceived as self-service and no advisor or broker was available to facilitate a more sophisticated transaction



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Basic marketplace metrics

MPV

GMV

STR

ATV

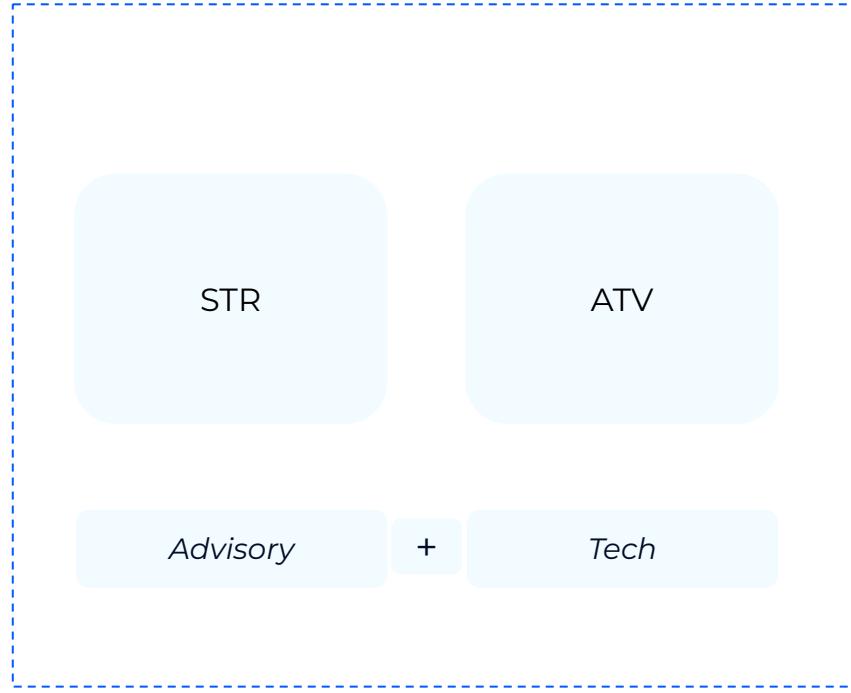
Interactive question

Curious to hear other people's metrics? They can be generic or specific

Our key focus

MPV

GMV



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The difference between an advisor and a customer support representative

Expert knowledge with valuation, financials and deal structures

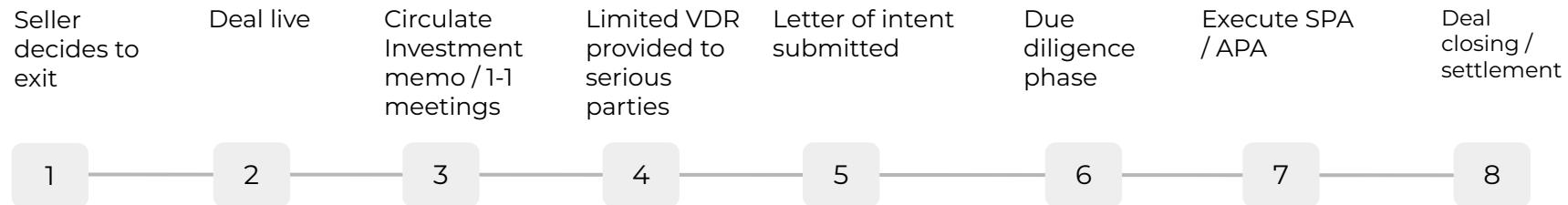
M&A Transaction Experience

Takes accountability and ownership

Qualifies the best qualified interested parties

The M&A timeline

Key phases and stages of an M&A transaction (sell-side point of view)



The difference between an advisor and a customer support representative

Expert knowledge with valuation, financials and deal structures

M&A Transaction Experience

Takes accountability and ownership

Qualifies the best qualified interested parties

The time, cost and touchpoints are far greater (with less volume), but the bet is that the STR will increase, the ATV will increase

Teething issues...

#1

Time:

From A-Z, the time it takes for an M&A deal to close can range from 3 months to 12 months

#2

Volume vs Quality:

Marketplaces rely on liquidity and high volume. It has been hard for us to find the optimal number of deals to handle

#3

Business model:

Traditional M&A boutiques charge retainers (for many reasons). As we aim to win market share, we do not want to do that

Teething issues...Managing them

#1

Time:

From A-Z, the time it takes for an M&A deal to close can

#1

Time:

Leverage our tech. AI matching, Legaltech, API integrations

#2

Volume vs Quality:

Marketplaces rely on liquidity and high volume. It has been

#2

Volume vs Quality:

Touch subject, but we are becoming ruthless in our prioritisation. You essentially have to qualify for our advisory service now

#3

Business model:

Traditional M&A boutiques charge retainers (for many

#3

Business model:

Still working on it...

The results so far...

#1

ATV:

I cannot reveal the specific number, but our ATV has doubled since Jan 2023

#2

STR:

It was 17% at the start of 2023, now it is 30%

#3

MPV:

4 x BDM's (Sebastien is one of them) who have brought on an incremental increase of 15% MPV in 6 months

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Interactive question

What is your most important asset?

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Interactive question

What is your most important asset?

For us, we feel it is data.

Key points of data...

#1

Business quality score:

For our algorithm, it calculates from 0 to 1 the quality of a business in comparing against data of other businesses on our platform

#2

Market multiples:

In the private sector, there is no ability for price discovery in M&A. We did 14,000+ M&A transactions in 2023

#3

API:

Our numerous connections allow for privileged data ingestion, Shopify, Amazon, chartmogul, Stripe, Zendesk, Google Analytics

Interactive question

Do you prioritise some revenue streams over others?

As a company, we need more predictable revenue...

#1

Buyer subscriptions:

Premium access to our best deals for buyers who pay a fee. They get 21 days to review the business before it goes 'public'

#2

Flippa Pay:

Internalise the money transfer / escrow process to improve our bottom line

#3

?

Open to hear other people's views 

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Questions for the audience?

?

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#1 Marketplace to Buy & Sell Online Businesses