

## **Transcript of initial interview with Mr. Doug Vickerson**



**CEO & Director at Renoworks Software Inc.**



**CA: RW  
US: ROWKF**

**May 22, 2021**

**Mr. Doug Vickerson – CEO & Director.** Mr. Vickerson is the Chief Executive Officer and a director of Renoworks. From 2007 to 2011, he also served as Chief Financial Officer before taking the helm of Renoworks. Doug has served as the Vice-President of Business Development at Replicon Inc., a privately held web-based timesheet software company, the Vice-President Sales and Marketing of Guest-Tek Interactive Entertainment Ltd., a publicly traded technology company serving the hospitality industry, and most recently as Business Development Consultant with Cambrian House Inc., a privately held software technology company. Doug holds an MBA from the University of Calgary.

**A warm welcome everyone to a new interview on Smallcaps Investment Research. Today we're speaking with Mr. Doug Vickerson, the CEO and Director of Renoworks Software Inc. Renoworks offers a web-based visualization platform for homeowners and contractors to plan, design and visualize home repair and remodeling projects. What makes the Company so extremely interesting is the fact that the ease of use of this type of software makes sure that it will become the standard way for homeowners to start a remodeling project. We'll find out all about it in this interview. The Company is listed on the TSX Venture Exchange with ticker symbol RW. Doug, it's great to have you with us, welcome.**

Doug Vickerson: Thanks. I'm very happy to be chatting with you today.

**As this is our initial interview, could you give us an introduction of Renoworks Software, its history, and its activities?**

For sure. We were started by our Chairman, Greg Martineau, who is a remodeling contractor here in Calgary, Alberta, Canada. He started the business because many of his customers asked him how their remodeling project would look like when it was done?

At the time, he could never truly answer that question. Thus, back in 2000, he decided to start Renoworks by offering the homeowner, the ability to submit a photo and then virtually remodel that photo using manufacturer products.

Today we are more of a business-to-business software company where we sell a platform.

It is essential to understand that it is a platform. Yes, we focus on design and visualization, but I think we are doing a lot more than just this. When an enterprise client works with us, they work with us for much more than just design and visualization.

**Thank you. Let's zoom in on some of your products and services, so that listeners and readers get a better understanding of their true potential. First we have Renoworks Enterprise. Can you provide us some more details about this platform?**

Renoworks Enterprise is the primary focus of our platform. When we say enterprise, we are talking about organizations that are operating in the construction space. They typically have a hundred million to multiple billion-dollar revenues every year. When I say construction, I mainly mean residential construction. Predominantly the area that we operate in is repair and remodeling.

The majority of our clients are what we call building product manufacturers. So, companies that manufacture roofing, sidings, windows, entry doors, garage doors, stone, trim, paint. On the interior it is flooring, countertops, backsplashes, kitchen cabinets, carpet, paint. So, any visual product that you see in your home, we likely work with companies that would be manufacturing in that category.

We work with these companies, and we digitize their product libraries. Then once we have their libraries digitized, it allows them to offer our service to homeowners and contractors to virtually remodel the space

that they are working on, whether it is exterior or interior.

Regarding our pricing model for the Enterprise space, we charge a setup fee to white label our application. Enterprise customers take our technology and put their brand on top of it. We also charge a licensing fee, either monthly or yearly.

And then the last part of the business model when it comes to Enterprise clients is transaction fees. Our enterprise clients allow transactions to happen on their websites. So typically, they get the homeowner to pay a portion of that transaction, or sometimes our clients will pay the entire fee for the homeowner. About 90% of all our customers are in the US, 10% in Canada and the rest of the world.

### **Can you also shed some light on Renoworks Pro?**

With Renoworks Pro we are offering some of the same services that we offer our Enterprise clients, however, this is specifically aimed at the contractor. It is a SaaS service, so software as a service. They can get into it for \$25 to \$80 a month to use our software.

Then they also pay a transaction fee if they want some specific service that we do for individual projects. The exciting part about Renoworks Pro for our company is how much of our market is still untapped. We see this area as a clear growth opportunity.

We work closely with about 200 enterprise clients. Every one of those 200 enterprise clients also has contractor customers. So, if you count all the contractors that we are connected to via our enterprise clients, the number would probably reach 200,000 to 300,000. Thus, part of our future is to expand our offering so that we can service this number.

Let me give an example of how Renoworks Pro works. A homeowner would come to an enterprise visualizer, for example Royal Building Products, which manufactures vinyl siding and trim in the United States.

A homeowner would come to that application online. We would do the design, we would send it back to the homeowner, and then if that homeowner wanted a contractor to quote on that project, they would then get connected to a contractor.

### **And what can you tell us about the Renoworks FastTrack service?**

FastTrack is an answer to connecting the homeowner to the other parts of the remodeling project. I will give you an analogy after I have explained it a little bit.

So FastTrack looks at doing all the pieces of the value chain, specifically design. There is also the ability to get remote measurements. We have partnered with EagleView Technologies, where you can type in an address of virtually any home in North America and from that address, they can get data on that home. EagleView actually flies planes over almost every home in North America to take photos from every angle.

From that, they create the data, which is then sent to us. We make a 3D model, and we are also able to see all the measurements. All of sudden, we have the design completed for the homeowner and we can now have all the measurements of that home as well.

From those measurements, we can create a material list of any project that the homeowner wants to do outside his home. From that material list, we can give the homeowner a quote. Due to this, the homeowner can have a general idea of the cost of any project. That is the disruption that we are conveying to the market.

I see Renoworks positioned in a way where we could start having contractors bid on projects without the need to go into the homeowner's property. We understand that not everything can be done online, but it is really enhancing the homeowner's experience.

The manufacturer loves it as well because they are retaining engagement with that

homeowner for a longer period. The contractor loves it because it has all this information when they get a lead delivered to them.

Finally, do not forget just how big this industry is. It is close to half a trillion dollar industry. This represents a huge market potential to disrupt it because of the way people typically do remodeling projects.

**Finally, I would also like to cover the Renoworks Design Services. Can you give some more details about that?**

The Design Services part of our business is growing quite a bit. What we have done with our Design Services is again, focused on making it extremely easy for the homeowner to get engaged with a particular manufacturer in their products and to see their own home with the manufacturer's products on it.

Simply a homeowner would submit their address or a photo of their home. Next, we design or mapping out on their image, the roof, the siding, the windows, the doors, the garage doors, anything on the outside of the home that they want to virtually remodel. We map that and send it back to the homeowner.

Last year, we did just under 28,000 homes where we utilized our Design Services. This year, we are growing. When you look at our first quarter this year, those Design Services have increased. We think that the Design Services will continue to increase as we bring this service to more of our manufacturer partners.

**Well, that is really interesting. And who are your customers? Can you give a couple of examples how they use your technology?**

I already mentioned high level, who our customers are, building products manufacturers, and distributors. I will give you an example of how our product is used.

Royal Building Products (RBP), for example. When you visit the website

royalbuildingproducts.com, you'll find several areas where a user can engage with our tool. Frankly, RBP is also very much ahead of its time because they are using our tool to generate homeowner leads.

So how are they doing that? They are offering free design for the homeowner. I visit the RBP website as a homeowner, and all I need to do is send them a photo of my home. Next, I get this design sent back to me and then I can design it, and I can spend time looking at different solutions for my home. Due to this, as a homeowner, I am very engaged because if I go to other vinyl siding manufacturers, they do not offer such an opportunity. Thus I might stay with Royal as they can tell me how my project is going to look like.

**Although this is already really fascinating, can you give us some color on where this technology is going?**

Where the technology is going is really exciting. The technology which is connecting the different components of the value chain is already interesting in and of itself. There are not many companies focusing on this.

Another exciting piece of technology is our Artificial Intelligence (AI) or Machine Learning technology. For our Design Services component, for example, AI can cut down the speed with which we can provide the designs to users. We are using about 60 designers who can work anywhere from an hour to a day on a design. AI can do the same job in 30 seconds.

So the homeowner can upload a photo, and within 30 seconds, they can get their photo back, and they can start designing. AI will be a key component of our push to disrupt the lead generation in the industry.

The other component that I am very interested in is the Data Science piece. This is mainly about understanding how a user is using our platform. We have 3.2 million homeowners from around North America who are using our platform every year. They are clicking on different things. They are telling

us about their project. Due to this, we have a Data Science platform and group of people working on understanding what those people are doing, and we are becoming more predictive in what they're able to do.

**How about competition? Are there many other companies that offer a similar technology?**

Few other companies do this. Chameleon Power out of Michigan is one of our competitors. We differentiate against them on a few things. Hover is another one of our competitors. They are probably more focused on the pro side of thing. They also raised a lot of money in the market. Investors could kind of look at their private valuation and compare that to ours.

**Although your industry is still in its infancy, you already managed to achieve some very attractive first quarter results for 2021. Can you highlight some of those results for us?**

The first quarter of 2021 was a record quarter. Knowing that typically the first quarter is our slowest quarter, we had a good start to the year. Q1 is usually our slowest one, because it's winter and there are less remodeling activities that time of year. However, this year the quarter was not only a record Q1 but also the best quarter ever. This is extremely positive. We grew revenue, and we are now about break-even EBITDA.

Generally, our focus as an organization is to invest all our earnings and profit back into the company, mainly in adding new resources, both in development and sales and marketing.

**What's your outlook for Renoworks for the next 12 to 18 months?**

Continue our growth from last year. We grew about 27%. We would like to see similar growth numbers this year.

We would like to offer more of the full value chain to some of our clients and actually

**Interview Feedback**

participate in selling leads to contractors. That is a big area of growth.

What is also important to understand is that we want to make income and revenue from all parts of the value chain. Make money on the design, make money on bringing measurements onto the value chain and other areas. Where I also see meaningful opportunity is in bringing new key partners to help achieve the above.

Not to mention that we are just scratching the tip of the iceberg regarding our clientele. We are providing our customers with just a fraction of the features we would like.

**Doug, before we go, can you summarize the key points of interest of Renoworks Software, and tell us why investors should consider buying shares of the Company today?**

If you look at Hover, it is valued at seven or eight times their revenue. Their revenue is about \$70 million. So, they are about a \$500 million organization. They recently got \$120 million as funding. Renoworks is a lot smaller company, but we are positioned very well to start doing different things than what Hover is doing.

Just look at our last eight quarters. We have been able to see eight record quarters in a row. We believe this shows the stars are aligned for us to continue this trend.

Finally, our partnership with EagleView is exciting. EagleView is a huge company. They are owned by a private equity company, Vista Equity Partners, and the measurements piece and the value chain is critical.

**Fantastic. Doug, it's been a pleasure speaking with you and we certainly appreciate your time. We'll be keeping track of the Company's progress and look forward to having you back for an update.**

Thank you very much.

We welcome your questions and feedback regarding this interview at:  
<https://smallcaps.us/renoworks-software-ceo-reveals-exceptional-growth-opportunities>

Transcripts are edited for clarity.

### **About Smallcaps Investment Research**

We're proud that Smallcaps Investment Research is recognized as one of the most trusted online sources on U.S. and Canadian small cap stocks. We've earned that trust because we only highlight stable, ethical companies to our visitors and newsletter subscribers. We focus on fundamentally undervalued companies with a market cap below \$100 million, and we have a special interest in stocks with a high potential, innovative product or service.

### **Contact Smallcaps Investment Research**

Twin Squares  
Culliganlaan 1  
1831 Brussels  
Belgium  
Tel. +32 (0)2 808 58 41  
E-mail: [contact page](#)

### **Copyright**

You're free to distribute this publication. You may not however add, remove, or change any content or links within this publication.

### **Legal Notice Regarding Forward Looking Statements**

The interview referenced herein may contain certain "forward-looking statements" within the meaning of applicable securities laws, including without limitation, statements related to the Company's plans, strategies, objectives, expectations, intentions and adequacy of resources. Investors are cautioned that such forward-looking statements involve risks and uncertainties including without limitation the following: (i) the Company's plans, strategies, objectives, expectations and intentions are subject to change at any time at the discretion of the Company; (ii) the Company's plans and results of operations will be affected by the Company's ability to manage its growth, and (iii) other risks and uncertainties indicated from time to time in the Company's public filings.