INFORMATION MEMORANDUM

BN000035580: LONDONIST DMC LTD



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EXECUTIVE SUMMARY

MAIN ACTIVITY

An award-winning provider of Purpose-Built Student Accommodation (PBSA) in desirable locations across London. The company maintains a global operation, working with agencies across the globe to provide flexible accommodation solutions for international students looking to study in the UK.

The company currently offers over 1,200 rooms across 45 locations as of 2022/23. Those include studios and ensuites, in zones 1, 2 and 3 of London, with easy access to universities and restaurants. The company also provides a range of ancillary services including airport pickups, cleaning and bedroom and bathroom packs, as well as access to on-site gyms and cafés.

LOCATION

London

FINANCIAL HEADLINES

YEAR TO AUGUST:	2020 FINAL £'000	2021 FINAL £'000	2022 F'CAST £'000	2023 PROJ'N £'000	2024 PROJ'N £'000	2025 PROJ'N £'000
SALES	9,012	6,145	14,500	25,000	32,000	38,000
GP% *	*4.5%*	*-50.3%*	*18.1%*	*22.0%*	*22.0%*	*22.0%*
ADJ. EBITDA**	(1,466)	(4,579)	730	2,980	4,160	5,320

**Gross Profit (%) **Earnings before interest, tax and depreciation (non-cash item).*



Click on the image above for an introduction to Londonist DMC Ltd.

EXECUTIVE SUMMARY

KEY ASPECTS

- Trading for nearly a decade, the company has gained an enviable reputation for its high-quality student rooms, boasting over 1200 rooms across 45 locations in London.
- Offers flexible accommodation solutions to clients looking to relocate or study in the UK, offering both short and long-term dwellings.
- Ideally located properties, enables clients to have easy access to universities, restaurants and social spaces.
- Capable second-tier management structure in place, with limited reliance on the current shareholder.
- Technology focused company, with a state-of-the-art bespoke CRM system, allowing for a premium service quality.
- Boasts excellent relationships with over 300 agencies, generating lucrative business leads all over the globe.
- Exceptional knowledge, expertise and superior service offering has forged the company an enviable reputation leading to high repeat and referral custom.
- Strong international client base, supported by excellent customer service and after-sales support, generating high levels of repeat and referral custom.
- The company has a strong online presence across an established online platform, supported by active engagement on leading social media platforms.

KEY OPPORTUNITIES

- Opportunity to gain a foothold in the London market, with an established international client base and expand its geographical reach and increase market share.
- Represents an opportunity to expand into the private serviced apartments sector, further diversifying the current market sectors the group operates in.
- Strengthen existing foothold in immediate region and expand presence in the currently untapped geographical regions Nottingham, Manchester, Birmingham, Brighton, Glasgow, Coventry, Liverpool, Dublin, Leeds and Sheffield.
- Represents an opportunity for an acquirer with additional resources and a fresh impetus to facilitate the company's business development plans and promote its continued growth.
- Opportunity to further expand the company's existing marketing strategy and Increase brand awareness via trade shows and search engine optimisation (SEO).
- Continue plans to develop the property portfolio and acquire additional properties.

THE STORY SO FAR

HISTORY

- **Londonist DMC Ltd** ***("Londonist"*** and 'the company') was founded in 2013, by Asim Erturk, after identifying a gap in the market for the provision of luxury student accommodation for international students, with clear communication and support for international students travelling to the UK.
- The company began with 30 rooms, and has grown year-on-year, now boasting over 1,200 rooms across 45 different locations across London.
- The company began offering luxurious airport pickups in 2022, upgrading the company's previous transfer offering, which was introduced in 2014.
- The company now has agreements in place for over 1,200 rooms across London for the 22/23 academic year.

SHAREHOLDING STRUCTURE



REASON FOR INVESTMENT

- The shareholder has grown the company year-on-year, and now seeks external investment to significantly scale the business further.
- The shareholder is looking for a strategic investor to help expand the company globally and take advantage of the future growth plans currently available to the company.

THE STORY SO FAR

RECOGNITIONS

- Recognised as highly commended within the Sales and Letting Agency category at RESI

AWARDS

- WINNER - ST Star Service – Provider of the Year 2022 Award
- WINNER - PIEoneer Awards 2022- International Student Living Award
- WINNER - Category: Star Service (Star Awards) (Shortlisted in 2018, Winner 2019, Shortlisted 2020, Winner 2021, Shortlisted 2022)
- Initiative, Student Accommodation Operator Award (Shortlisted in 2021 and 2022)
- Provider of the Year (shortlisted in 2020 and 2021)
- & Innovation of the Year (shortlisted in 2020 and 2021)
- FINALIST- VR Marketing of the Year - VR Awards (Shortlisted 2020)
- FINALIST - RESI Awards - Sales and Letting Agency Award, Health and Wellbeing
- WINNER - People's Choice and Best Marketing (British Youth Travel Awards) (Shortlisted for the Best Marketing – 2017. Winner for People's Choice – 2019.)
- FINALIST - Student Accommodation Conference and Awards - Agency Team of the Year
- FINALIST - The PIEoneer Awards for Marketing Campaign of the Year & Accommodation



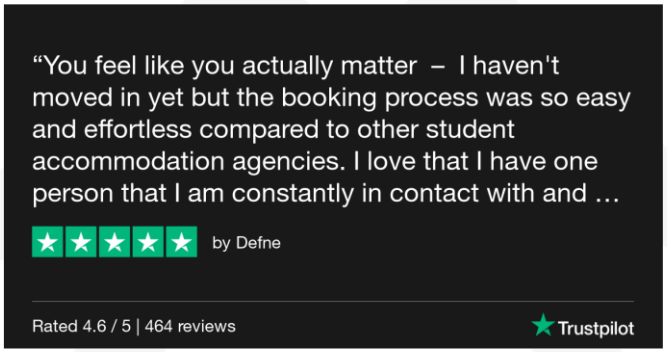


PARTNERS

- BETA (British Educational Travel Association) member since 2015
- Bossa & Cossa member since 2019
- UKInbound Member since 2019/20
- ALTO (Association of Language Travel Organisations) member since 2020
- Corporate Member ENGLISH UK member since 2016
- BELTA (Brazillian Association of Education Agents)
- StudyTravel

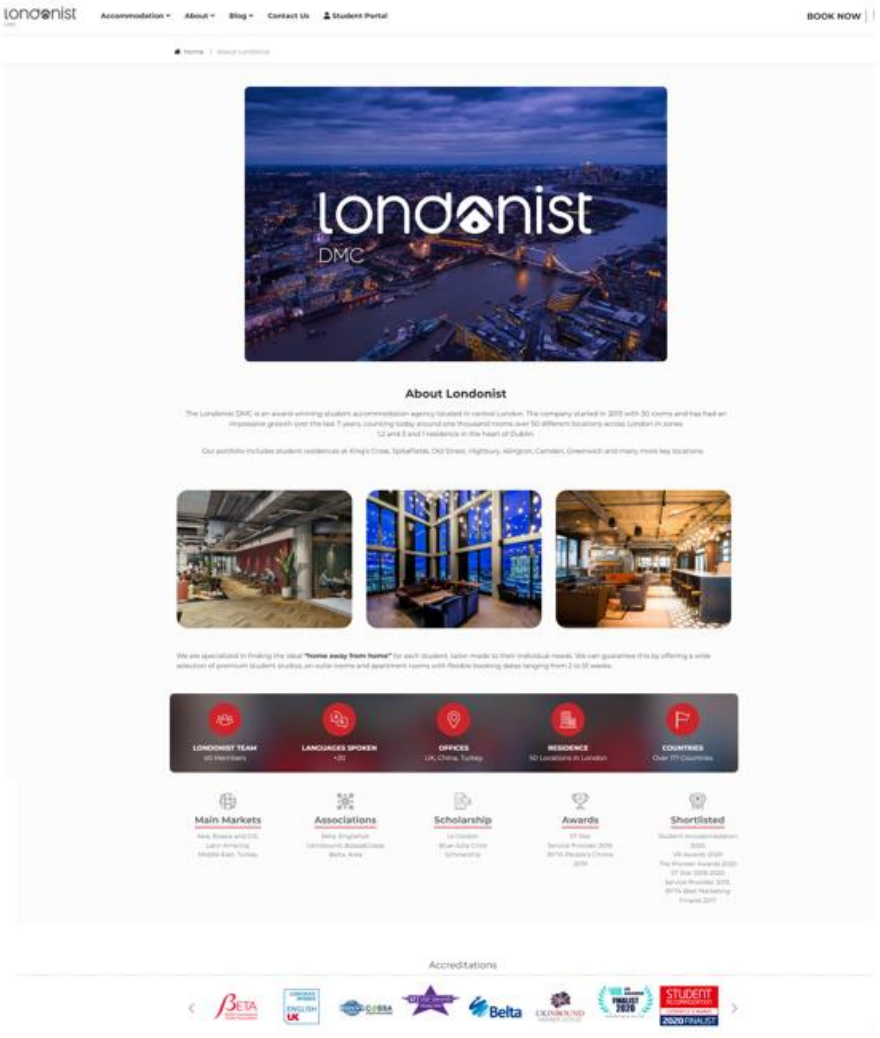
SPONSORSHIPS

- SPONSOR VEF- The international Virtual Education Fair 2018-2020
- Sponsor BETA - Youth Travel Workshop London 2018-2020
- TLS Contact - Sponsored Visa Seminar in UK Visa Application Centre, Moscow 2019
- Sponsor StudyExpo in Istanbul, Turkey 2018-2020
- Gold Sponsor - BETA UK Parliamentary Reception 2018



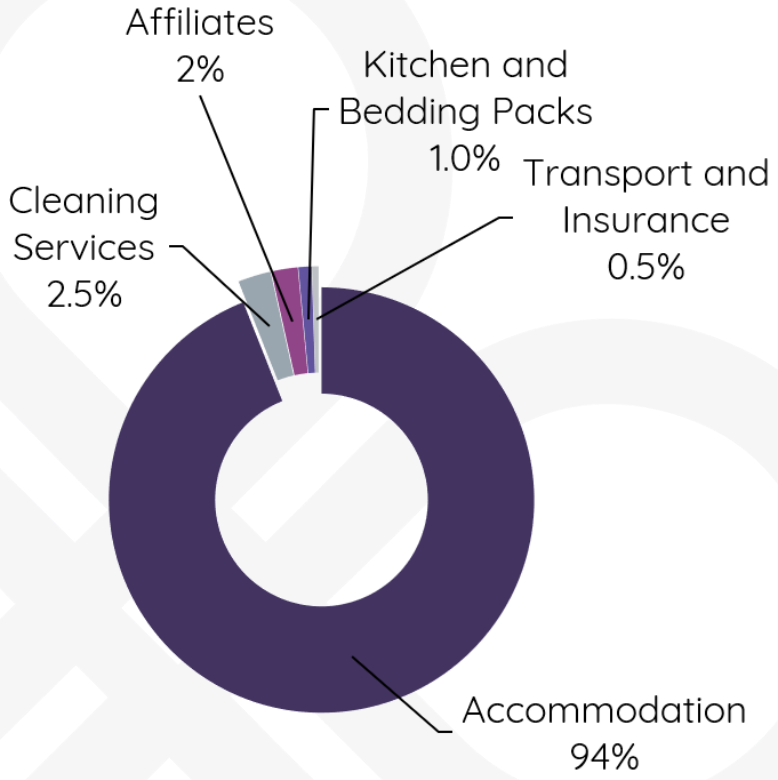


THE BUSINESS MODEL



www.londonist.co.uk

EXISTING SERVICES



THE BUSINESS MODEL

OVERVIEW

- Trading for nearly 10 years, ***Londonist*** has gained an enviable reputation for its luxury student accommodation across London in zones 1-3.
- ***Londonist*** provides a range of short and long-term accommodation for students, offering a high degree of flexibility compared to competitors which typically offer fixed 43/51-week contracts.
- The company works with several agencies, booking platforms and schools to ensure clients are well looked after, at locations including (but not limited to):
    - Kings Cross
    - Spitalfields
    - Shoreditch
    - Southbank
    - Camden
    - Greenwich
    - Portobello
    - West Green
    - Finsbury
- The company has multiple luxury locations at over 45 locations, including Wembley, Islington, Greenwich, Notting Hill, Finsbury Park, and South Bank.
- Rooms range in price depending on location and room type, from £190 per week for an ensuite room, to £530 per week for a studio.
- The company is able to manage medium PBSA buildings using its own expertise.



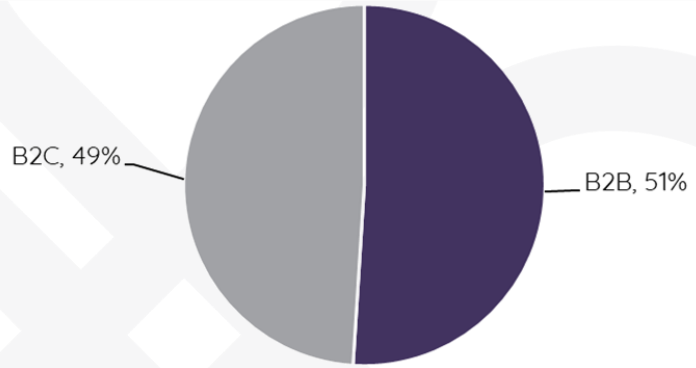
THE BUSINESS MODEL

- ***Londonist*** offers clients a range of additional services including access to gyms, social spaces and cafes, as well as additional packs for furnishing, such as kitchen packs, bedding packs and bathroom packs (1.5% of sales).
- The company offers serviced apartments across London for a variety of end users, providing a luxury short stay in the centre of London with easy access to theatres, restaurants and shops.
- ***Londonist*** continued to stay innovative during COVID-19 and developed a ground-breaking VR tour, enabling clients to view properties remotely, as face-to-face viewings were not possible.
- The company remains technology orientated, with a bespoke CRM system providing significant advantages over competitors, such as smoother check-ins and reservation management
- The company works with over 300 agents in the UK and internationally, all agencies sign an agreement with ***Londonist***, which are all reviewed at the end of each academic year.

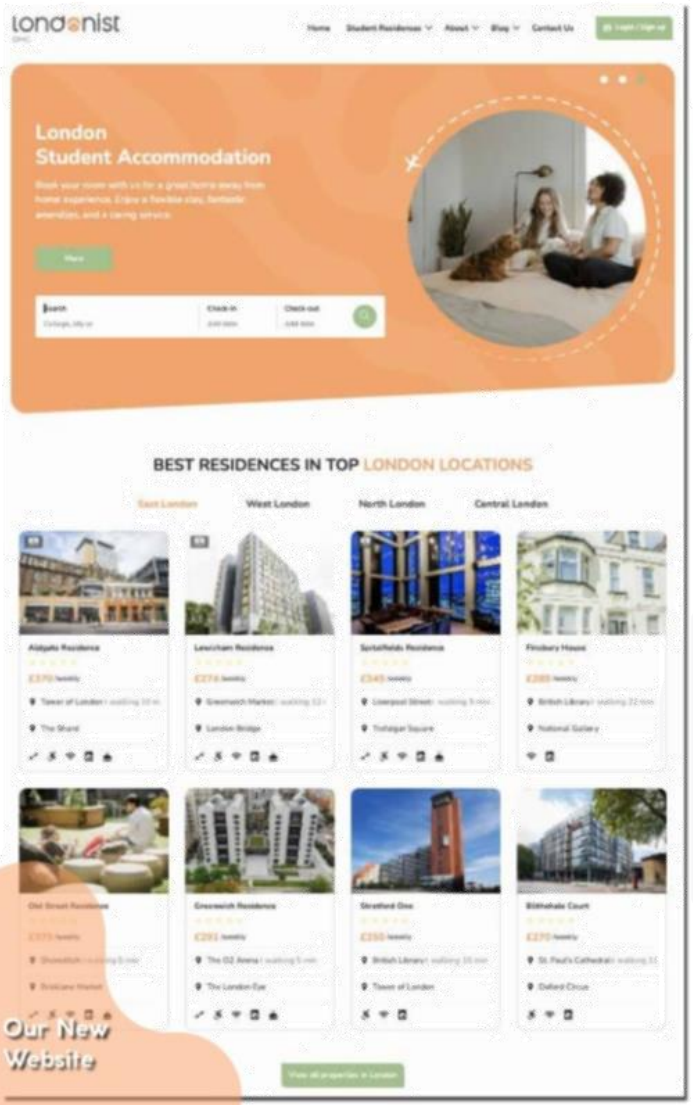


- ***Londonist*** also offers a range of additional in-house services, including cleaning and transfers, to ensure clients receive a premium service, without relying on external third-party providers.

REVENUE BY CUSTOMER TYPE



THE BUSINESS MODEL





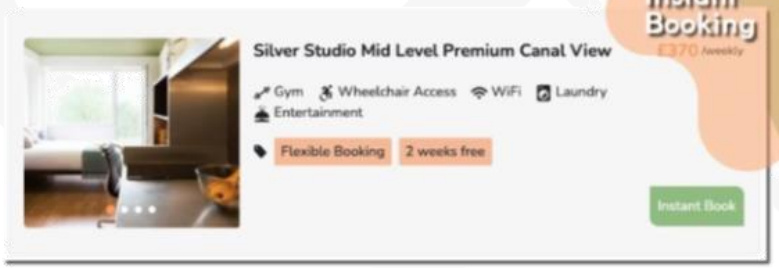




Our Technologies

New Website - Instant Booking





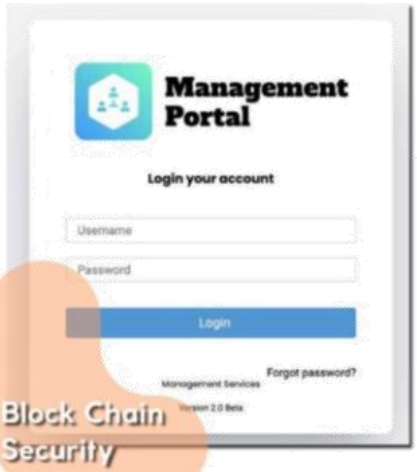
THE BUSINESS MODEL



Performans Management

Our Technologies

Management Portal



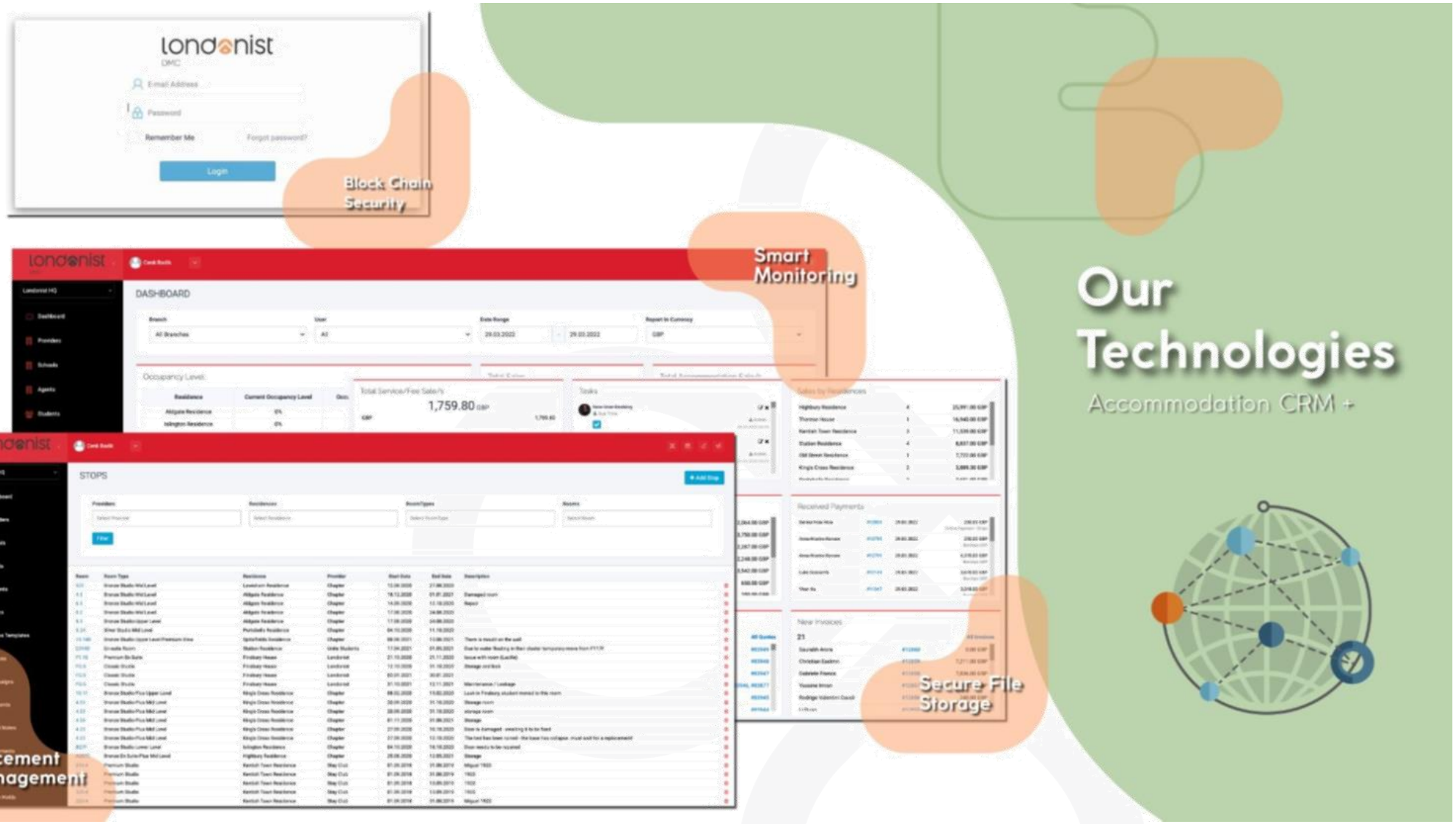
Block Chain Security



Real time Monitoring

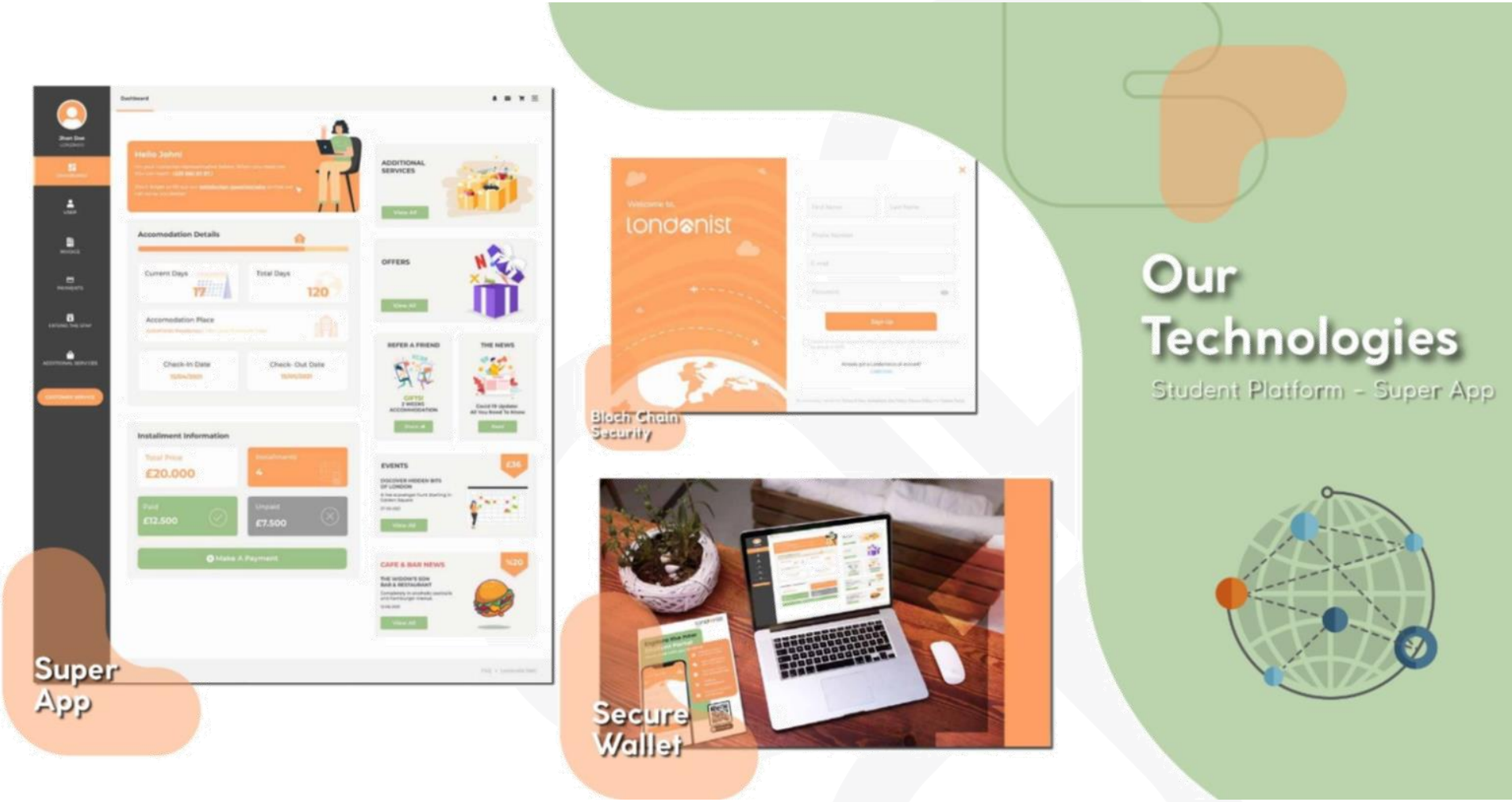


THE BUSINESS MODEL



THE BUSINESS MODEL

IN PROGRESS

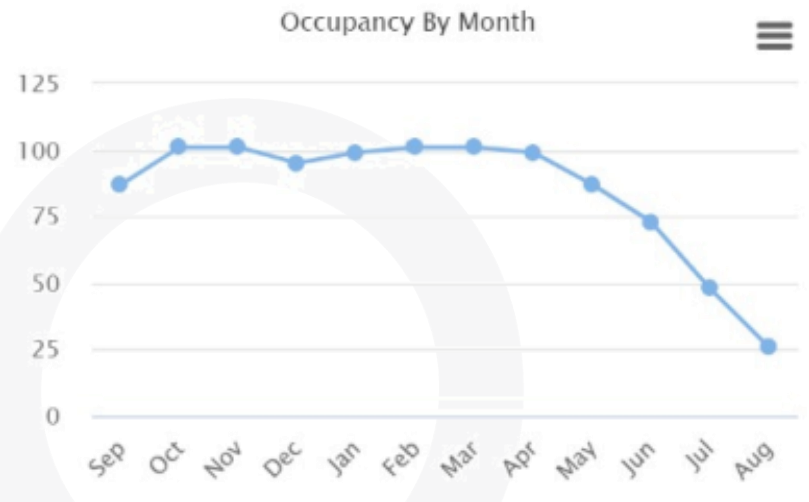


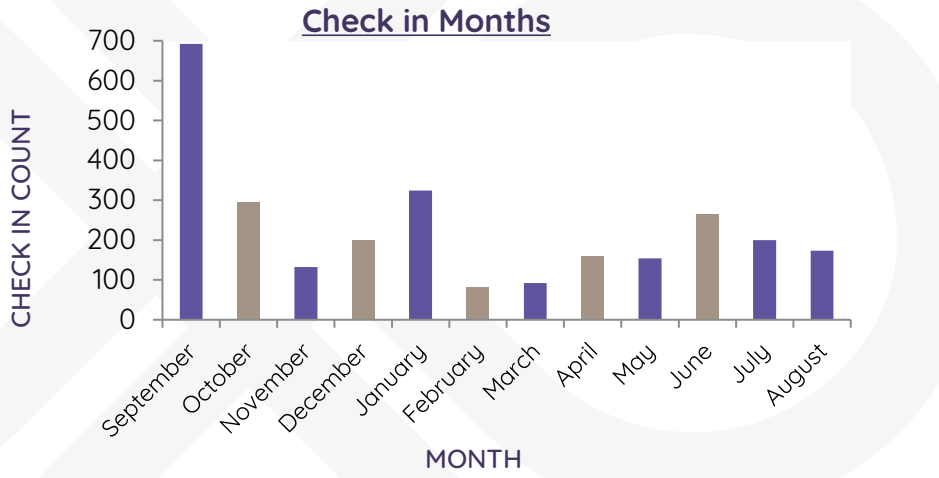
THE BUSINESS MODEL

DYNAMIC PRICING

- ***Londonist*** introduced an innovative method of pricing by developing artificial intelligence technologies which allows the company's rooms to be dynamically priced. This has been driven by data analytics which assess all room types. The method of artificial intelligence bases both demand forecasting on rooms in London and them optimises the company's internal CRM software to ensure the correct price points are established for rooms.
- As a result, the company is able to tap into key algorithms within the industry to create automated pricing strategies, which is directly linked to the company's website partners through an API. The automation of this process has revolutionised the pricing for the company's partners and students.







THE BUSINESS MODEL

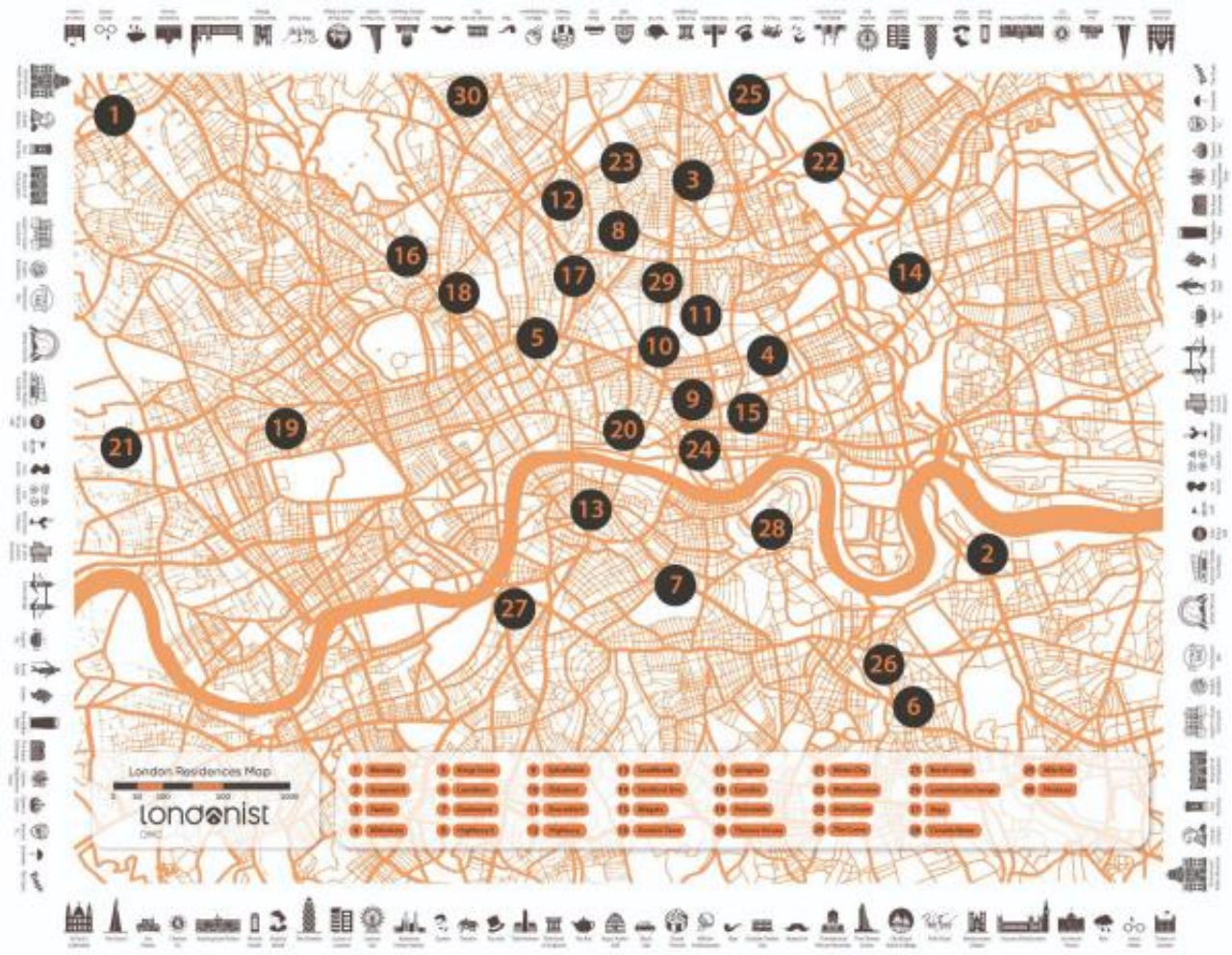
REFERRAL LOCATIONS

Provider	Residence	Postcode
Urbanest	Westminster	SE1 7FR
Urbanest	King's Cross	N1C 4BE
Urbanest	City	EC3N 2PX
Urbanest	Hoxton	N1 6AA
Canvas	Wembley	HA9 0UU
Canvas	Walthamstow	E17 6JJ
Nido Living	Dublin	D08 VH42
AXO	Islington	N7 6JP
AXO	Camden	NW5 2BJ
AXO	Oxford Circus	W1W 5DB
AXO	New Cross	SE14 6LA
Downing	Coventry – City Village	CV1 4FQ
IconInc	Liverpool	L1 2SD
IconInc	Lincoln	LN1 1BS
IconInc	Leeds	LS3 1JG
Homes for Students	Portobello Garrow House	W10 5BN
Homes for Students	Chelsea Lightfoot Hall	SW3 6NA
Homes for Students	Fulham Palace Studios	W6 9PA
Homes for Students	Grosvenor House	WC2B 5TB
Homes for Students	Opera House	N17 9EN
True Student	Liverpool	L6 1AJ
LIV	Dublin	D07 RR82

THE BUSINESS MODEL

Provider	Location
Chapter	Aldgate
Chapter	Highbury
Chapter	Highbury II
Chapter	Islington
Chapter	Kings Cross
Chapter	Old Street
Chapter	Lewisham
Chapter	Portobello
Chapter	Southbank
Chapter	Spitalfields
Chapter	White City
Unite Students	Station Court
Unite Students	Blithehale Court
Unite Students	Stratford One
Unite Students	North Lodge
Scape	Shoreditch
Scape	Canada Water
Scape	Wembley
Scape	Mile End
Stay Club	Kentish Town
Stay Club	Camden
Downing Students	Vega
Yugo	The Curve
Yugo	Therese House
Collegiate	Dashwood Studios
Vita	Lewisham
Dirench & Co	West Green
Blumin	Finsbury

NOMINATED ROOMS



THE BUSINESS MODEL

BESPOKE STUDENT PORTAL

- ***Londonist*** has recently launched its own Student Portal, giving students access to a one-stop solution to manage their lifestyle and accommodation in London.
- The company has established affiliate programmes across London, giving students discounts to attractions such as the Shard or the London Eye.
- The platform also allows students to track payments and order additional services, such as room cleaning.
- The platform also links directly with the company's CRM system, to ensure all requests are fulfilled promptly and allowing full monitoring, to ensure a premium service quality.

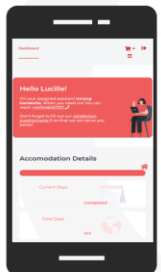
EXPLORE YOUR ACCOMMODATION

FAST AND EASY TO USE
The platform offers a quick and easy access for students.

ACCESSIBLE
The platform can be accessed from all mobile devices and computers.

SECURE
The platform never keeps any card details. All information is secured.

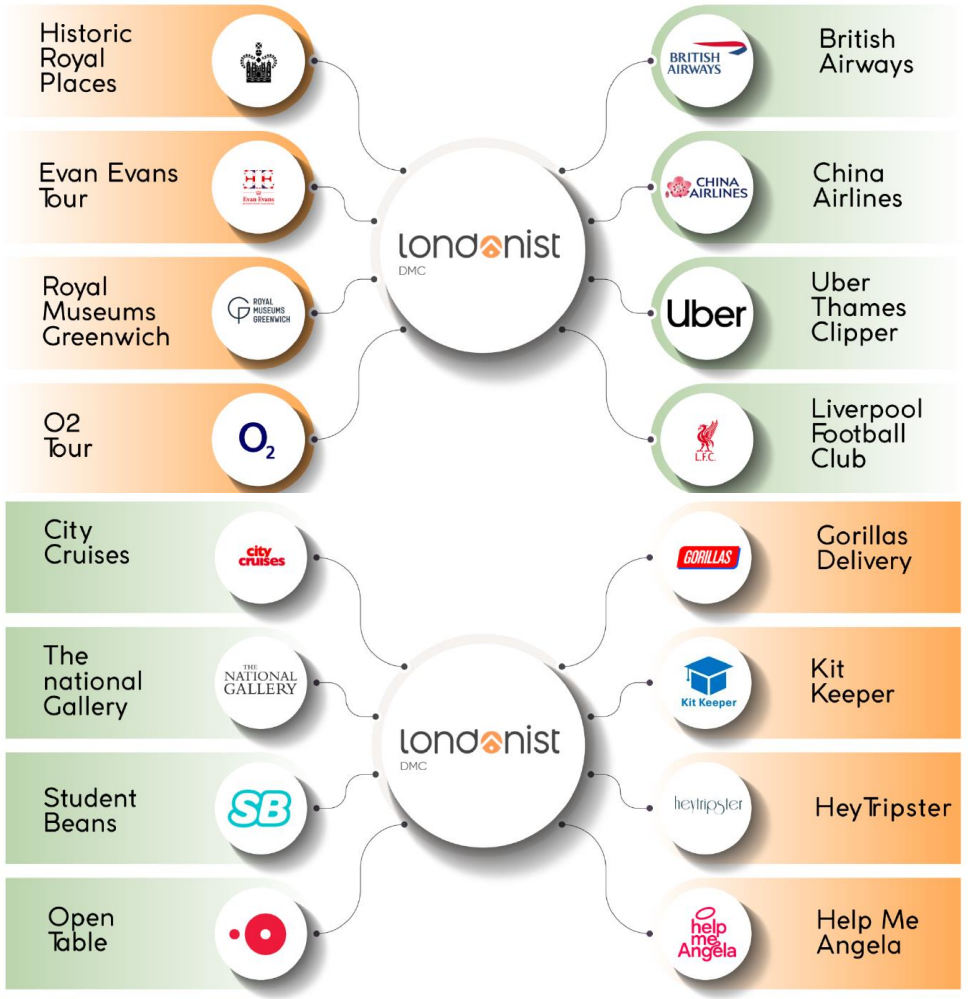
EASY TO INTEGRATE
The platform was developed with an easy integration for our partners.



LONDONIST STUDENT PORTAL

Our students are able to see and manage their accommodation from everywhere and anytime.

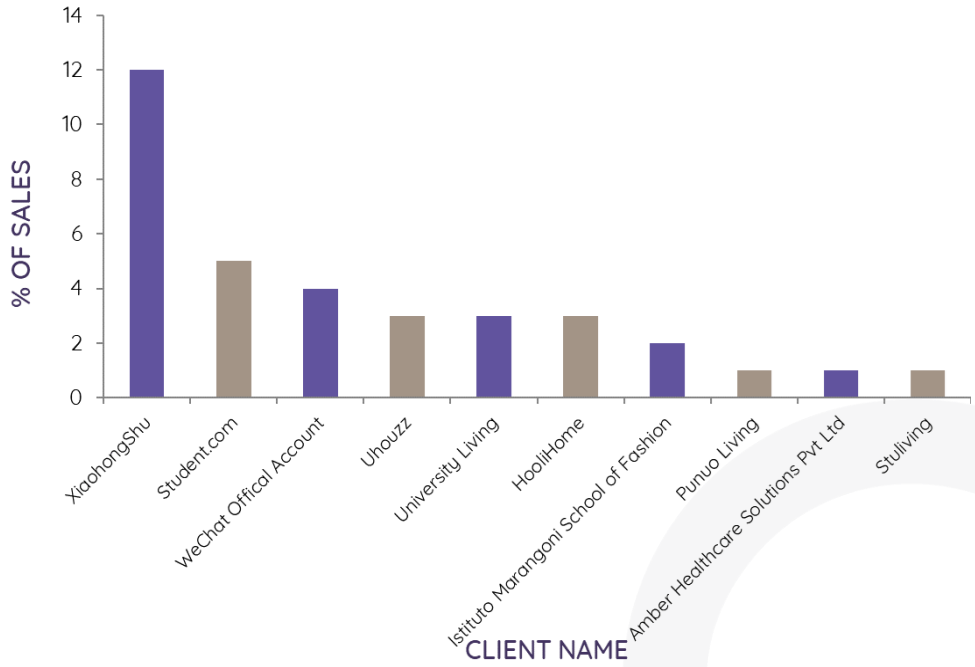
Affiliate Partners



*Not exhaustive list

THE BUSINESS MODEL

PLATFORMS & PARTNERS



HIGHLIGHTS

- Over the last 5 years Londonist has served over 20,000 clients via direct and agency channels.
- ***Londonist*** has a number of short-term and long-term contracts in place with its clients and London providers. For the last 9 years, most contracts were either renewed or extended, on expiry.
- No one client accounts for more than 12% of sales, mitigating the risks associated with over reliance.
- The company has maintained a 90% agency retention rate over the last 5 years, as well as 85% of clients re-booking with the company when staying in London.
- The company has over 300 active, international agents engaging with new clients.
- Payment terms vary between short-term and long-term bookings, instalments are based on length of stay. Online credit or debit card payments make up 45% of payments, direct bank transfer makes up 55% of payments. Deposit payments are collected within 48 hours of booking.

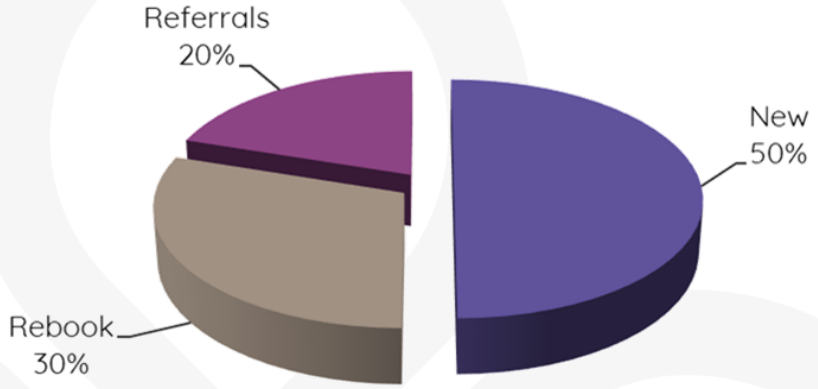
THE BUSINESS MODEL

For the Future

- ***Londonist*** has multi-year contracts in place for long-term PBSA providers which secures their beds for the future. The company's partners are always keen to secure their contracts due to the volume of business the company brings and global reach the company brings in terms of global international students are presence to a wide range of markets.
- ***Londonist*** are also in discussion to nominate whole PBSA buildings and these discussions are currently taking place for the 23/24 and 24/25 academic years.



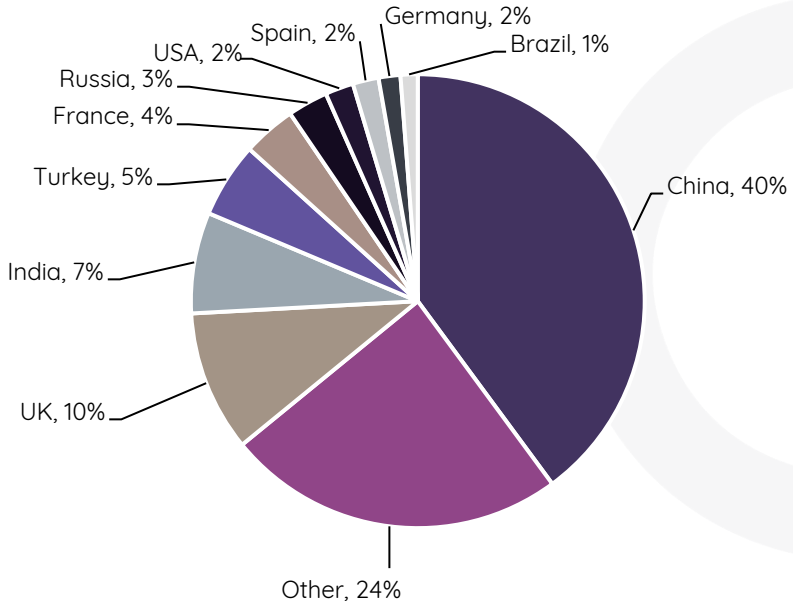
BUSINESS SOURCES



THE BUSINESS MODEL

WIDESPREAD INTERNATIONAL CUSTOMER BASE

- Providing student accommodation for international students, ***Londonist*** serves a global client base, providing end-to-end solutions for students from a wide variety of countries.
- There exists significant opportunity for an investor to strengthen existing foothold in current markets and diversify client base and increase market share.





**Purple sections denote student home countries served.*

THE BUSINESS MODEL

MARKETING CONDUCTED ACROSS SEVERAL MEDIA

- Owing to its established reputation, approximately 50% of ***Londonist*** work is generated via rebook and referral custom.
- Currently, the company uses its informative website to promote its expertise and engage with potential clients, supporting with the generation of new business leads. The website also has a Live Chat function to assist clients with any queries or bookings, with an average response time of 1 minute 34 seconds.
- ***Londonist*** attends a number of B2B fairs to engage with new partnerships, including the upcoming ICEF Dubai, (which ***Londonist*** is a gold sponsor of in Dubai and the UK) to meet agents from the Middle East and North Africa. ***Londonist*** also attends B2C fairs, such as university open days to raise brand awareness and boost sales, as well as utilising its global sales team which sources the best agencies in each region.
- The company also promotes its high-quality service offering via a number of social media platforms, including Facebook, Twitter, Instagram, WeChat, LittleRedBook and LinkedIn.

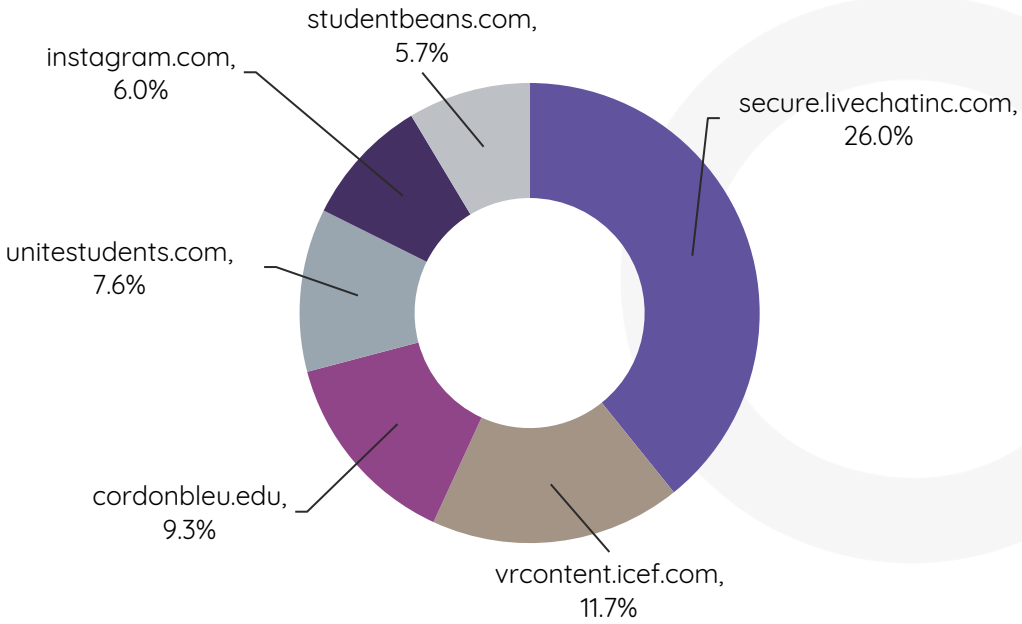


THE BUSINESS MODEL

AFFILIATE MARKETING

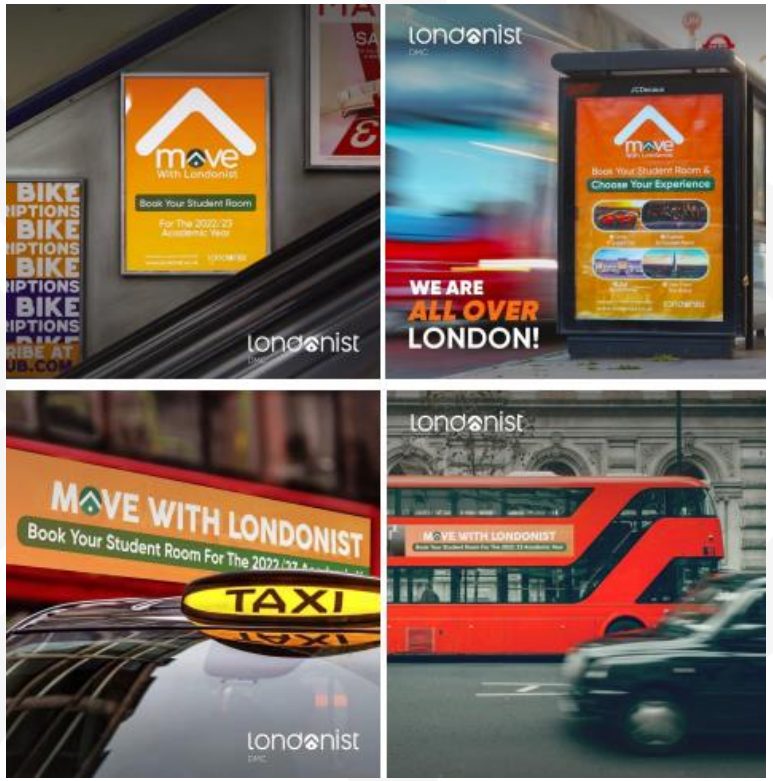
- Since July 2021 ***Londonist*** has been in a partnership with the platform Student Beans which is responsible for 5.7% of leads generated from web referral sources.
- In the past 24 months 1.6% of bookings have been made from Facebook / Instagram, with Google Ads accounting for the other 98.4% and generating a revenue of over £7.1 million with 1,963 bookings.

Top Referral Lead Sources



PUBLIC TRANSPORT MARKETING

- ***Londonist*** additionally held a marketing campaign which generated over £2million in sales across tube stations and on buses in London in June and July. The bus routes the campaign used were in: Camden, Highbury, Holloway, London City, Lambeth and Whitechapel.

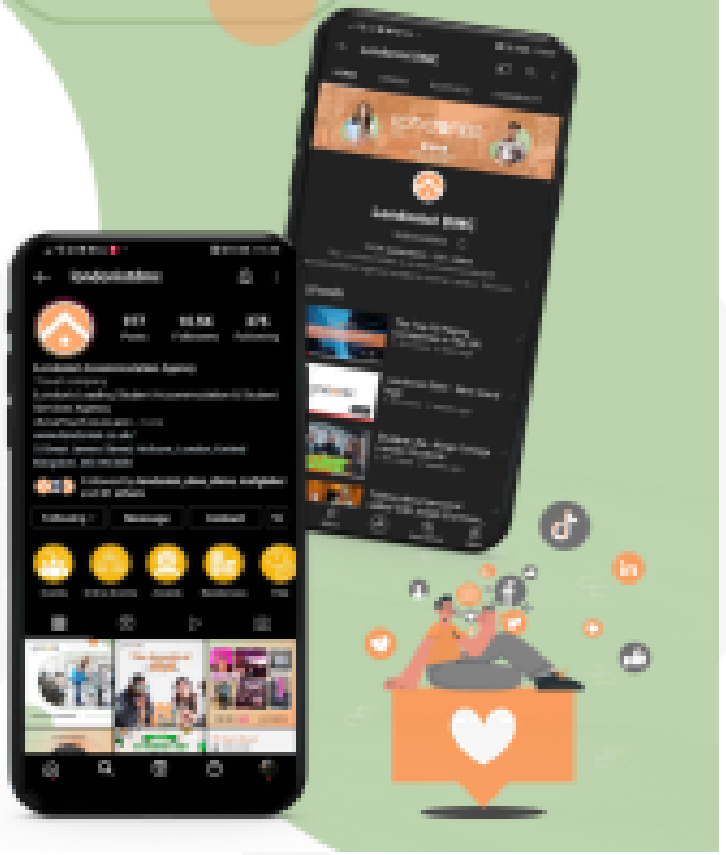


THE BUSINESS MODEL

Connect,
Follow & Have A Conversation With Us!

Here at Londonist, we are social beings and always love to engage with students and partners on platforms such as Instagram, Facebook, Twitter, YouTube, TikTok, and LinkedIn. We believe it's a powerful way to build a thriving online community that facilitates the exchange of ideas and information.

Reviews on Trustpilot are essential in helping us shape and provide a leading accommodation experience to students. We are currently rated excellent on Trustpilot with a score of 4.5 out of a possible 5. It indicates our passion for making our students feel at home away from home.



+10K Followers

+14K Likes

+11K Followers

21.3K Subscribers

+2 Million Views

THE BUSINESS MODEL

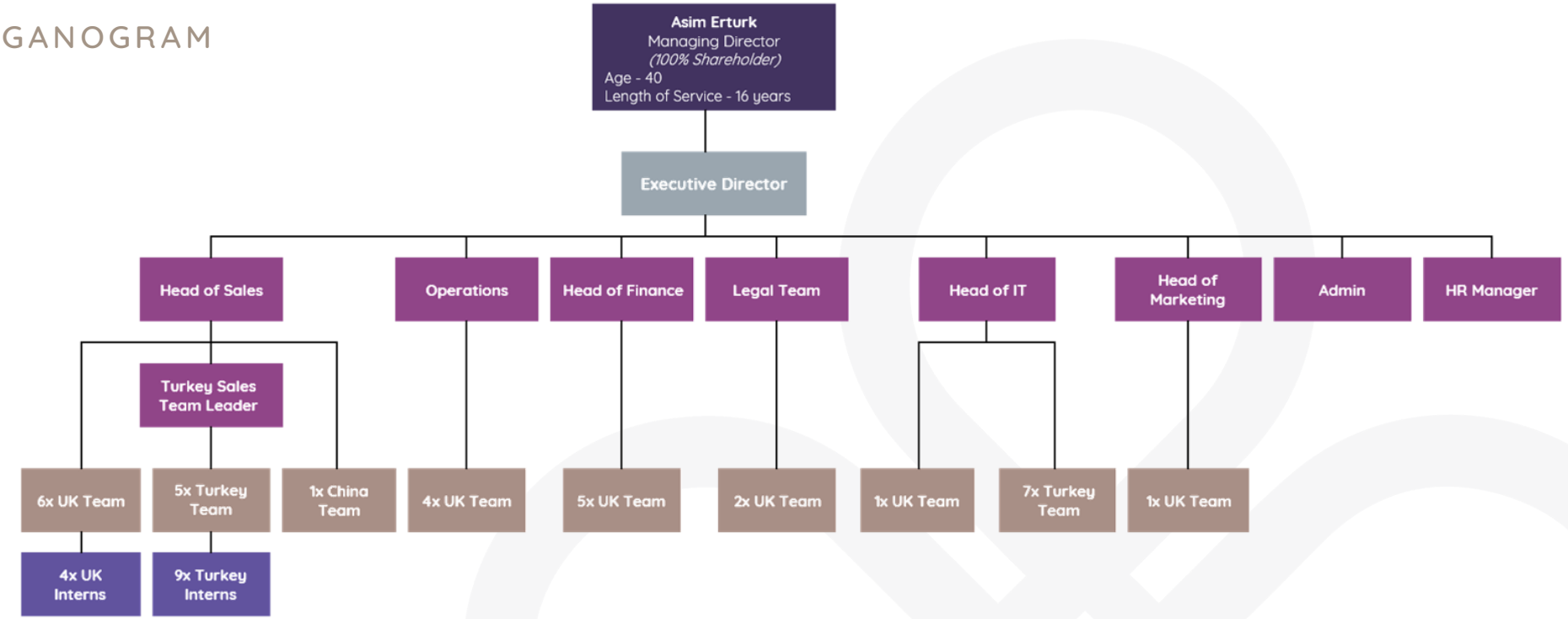
PROVIDERS

- ***Londonist*** have long-term and short-term contracts in place with its providers, many of these have been in place since 2013. Short-term contracts are typically 12 months in duration and are renewed annually.
- The company has maintained a majority provider retention rate over the last 5 years.
- The company maintains long-term relationships with its providers, with an average relationship being in place for 6 years.
- The company utilises a total of 9 providers per annum.
- Payment terms for all providers are at the end of each month or each quarter.
- Nominations are ongoing every year, and there is scope to grow with more providers.

- The company is associated with at least 10 providers per annum, with 10 currently for the year 22/23:
    - Chapter
    - Unite
    - Stay Club
    - Downing
    - Yugo
    - Dashwood
    - Scape
    - Vita
    - Dirench & Co (Managed by Londonist)
    - Blumin (Managed by Londonist)

THE BUSINESS MODEL

ORGANOGRAM



- Total number of staff – 51 (excluding the shareholder). 27 (total UK team), 23 (total Turkey team), 1 (total China team).
- The company has a capable second-tier management structure in place, with limited reliance on the current shareholders.
- The company uses a pool of trusted contractors for management IT, marketing, sales and legal departments of the London office, with contractors also present in Turkey and China.
- ***Londonist*** provides full training and on-boarding to all staff, tailored based on the team in which they operate. The company considers it essential that all new starters have a full understanding of the history, vision and product being sold.

THE BUSINESS MODEL

OPERATING APPLICATIONS & SOFTWARES

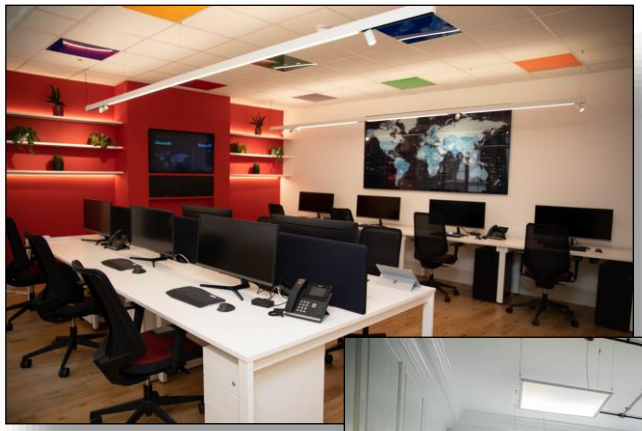
All departments	CRM, Microsoft Office, Monday.com, Google drive, Desktime, MS Teams
Legal/HR	Docusign, ContractZen, Peninsula Portal, Bright HR
Marketing	SEMrush, Canva, Grammarly, Screaming Frog Log Analyser, Screaming Frog Spider, Google Ads Editor, Bing Ads Editor, Facebook Business Suite, Hotjar, Adveronix, Mailchimp, Google Analytics and Google Data Studio
Finance	Pleo (Expense cards), Xero
Sales	WeChat, Whatsapp, Study Travel Network, ICEF Network, Kakao Talk, Line ID
IT	Microsoft Azure Cloud Services, Linode Cloud Servers, Azure Active Directory, Office 365, Microsoft Exchange 365, Fortinet Firewall Systems, CodeTwo Signature System, Jira Task and Service Management, Jira Confluence Documentation, Bitbucket Repository, Git Version Control System, Jet Brain Developer Tools, Figma UI Design Tools, Adobe XD UI Design Tool, Termius SHH Platform, Temius SHH Platform, DeskTime-Desktop Tracker, Navicat DB Tools, Docker, Cronitor, Twillo, SendGrid, Grafana & Prometheus
Operations	Google Analytics, Google Drive, Office 365

THE BUSINESS MODEL

PREMISES

5 Great James Street, Holborn, WC1N 3DB

- The office at 5 Great James Street is 815ft², comprising the basement and ground floor.
- The company holds a 5 year lease on the premises, which can be renewed subject to negotiation, although the premises are not a must for the company.
- Rent - £96k (plus service charge) per annum.
- Rates – £11k per annum.
- The current premises offer ample scope for expansion.







THE BUSINESS MODEL

THE BUSINESS MODEL

TRADEMARKS

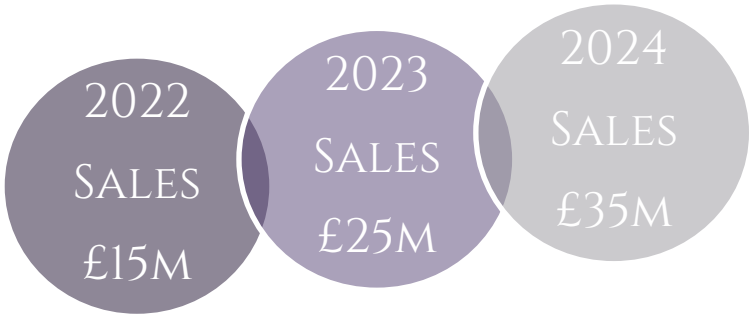
- **UK00003506343** – Londonist Student Accommodation Agency – 30/06/2020. Class 36 under financial and real estate.
- **UK00003738107** – Londonist – 30/12/2021. Class 43 under rental, food restaurant and hotel services.
- The **Londonist DMC** logo is trademarked under both trademarks listed above.

LONDONIST
STUDENT ACCOMMODATION AGENCY

londonist
DMC

THE OPPORTUNITY

2-3 YEAR GROWTH SCENARIO



WITH PLANS…

Further London Expansion

- The company has plans to expand its portfolio of rooms across London. The company has already began working towards this, identifying potential properties to add to its portfolio.
- Further enrichment of the portfolio will provide more options to the company's partners, as well as offering more options for students and increasing revenue potential.

Geographic Expansion Across the globe

- The company has potential to expand on an international level, with plans already being formed for an expansion into Australia, USA, Europe and Canada.

Londonist Floating House Concept

- Plans are in place to launch a new type of living for students, via an exciting new project. ***Londonist*** is developing 'Floating Boat Homes' specifically designed for students in 2022.
- These homes are designed to be eco-friendly and highly sustainable, each fitted with 8 solar panels.



THE FINANCIALS

PROFITABILITY

YEAR TO AUGUST:	2020 FINAL £'000	2021 FINAL £'000	2022 FORECAST £'000	2023 PROJ'N £'000	2024 PROJ'N £'000	2025 PROJ'N £'000
Sales	9,012	6,145	14,500	25,000	32,000	38,000
Gross Profit	405	(3,089)	2,630	5,500	7,040	8,360
%	*4.5%*	*-50.3%*	*18.1%*	*22.0%*	*22.0%*	*22.0%*
Other Income	54	61	10			-
Overheads	(1,968)	(1,578)	(1,910)	(2,520)	(2,880)	(3,040)
Operating Profit/ EBIT*	(1,509)	(4,606)	730	2,980	4,160	5,320
Addbacks:						
Directors' Costs	28	-	-	-	-	-
Depreciation	15	27	-	-	-	-
Adjusted EBITDA**	**(1,466)**	**(4,579)**	**730**	**2,980**	**4,160**	**5,320**
%	*-16.3%*	*-74.5%*	*5.0%*	*11.9%*	*13.0%*	*14.0%*

*Earnings (profit) before interest and tax; ** Earnings (profit) before interest, tax and depreciation.

THE FINANCIALS

NET ASSETS (PER FINAL ACCOUNTS)

AS AT 31 AUGUST 2021:	£'000	£'000
Fixed Assets		245
Current Assets:		
Debtors	6,228	
Cash	1,306	7,534
Creditors <12 mths		(13,454)
Total Assets Less Creditors <12 mths		(5,676)
Creditors >12 mths		(234)
Net Assets		**(5,910)**

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