

Investing In Digital Assets

Learnings around Buying & Selling Content
Websites

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About Me

- Working with content sites since 2012
- Focus on affiliate sites, infoproducts, and a few services
- Founded HumanProofDesigns in 2013, scaled to \$1.1MM in 2018
- Founded OnFolio in 2018
- Have bought and sold multiple six figure websites
- Currently raising 7-8 figures for investing further in sites
- Lived in Taipei since 2008

Why Invest In Websites?

1. ROI
2. Already established
3. Affordable
4. ROI

Average Site Sale Price is 30x Monthly Net Profit = 40%

Why Not Invest In Websites?

1. Risk
2. Lifespan
3. Capabilities
4. Never truly passive

Paying 2-3 years EBIDTA (annual profit) to buy a site with less than 2-3 years history can feel illogical.

Ways To Offset The Negatives

- Buy sites with less risk
- The deal has to make sense without growth
- Buy from brokers
- Hire out Due Diligence
- Buy sites with more history
- Focus on stable/well trending niches
- Diverse traffic and income
- Buy LARGER sites

Income Statement (SDE)

	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	TOTAL
Income													
Amazon Associates	\$26,681	\$23,319	\$18,691	\$16,203	\$19,675	\$25,942	\$26,641	\$33,616	\$43,000	\$57,250	\$46,941	\$42,006	\$379,966
Brownells Affiliate	\$2,050	\$1,930	\$1,440	\$1,430	\$1,638	\$1,980	\$1,969	\$2,687	\$3,158	\$2,910	\$3,148	\$3,624	\$27,964
GROSS REVENUE	\$28,731	\$25,249	\$20,131	\$17,633	\$21,313	\$27,922	\$28,610	\$36,303	\$46,158	\$60,160	\$50,089	\$45,630	\$407,930
Less Cost Of Sales													
Advertising	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost Of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GROSS PROFIT	\$28,731	\$25,249	\$20,131	\$17,633	\$21,313	\$27,922	\$28,610	\$36,303	\$46,158	\$60,160	\$50,089	\$45,630	\$407,930
Less Operating Expenses													
Content Costs	\$2,880	\$2,880	\$2,880	\$2,880	\$2,880	\$2,880	\$2,880	\$2,880	\$2,880	\$2,880	\$2,880	\$2,880	\$34,560
Software	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$990
Hosting	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$240
DMCA	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$60
Domain Name	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$19
Total Operating Expenses	\$2,989	\$2,989	\$2,989	\$2,989	\$2,989	\$2,989	\$2,989	\$2,989	\$2,989	\$2,989	\$2,989	\$2,990	\$35,869
NET INCOME	\$25,742	\$22,260	\$17,142	\$14,644	\$18,324	\$24,933	\$25,621	\$33,314	\$43,169	\$57,171	\$47,100	\$42,641	\$372,061

Note: Financials shown on an accrual basis. Content Costs are estimated at 24, 3,000-word articles per month at a rate of \$40 per 1,000 words. Software costs are estimated at \$83/mo.

Different Models of Investing

1. Buy and Hold
2. Buy/Improve/Flip
3. Buy and Grow

Let's Talk About Content Sites

- Closest thing to “passive” out there
- No inventory or customer fulfilment
- Very scalable
- Higher multiples than eCom or FBA
- Much more suitable for scaling a portfolio
- Easy to grow

Case Study 1

Site Bought: \$15,000 Summer 2017

Site Value Now: \$45,000

Site Earned Since Purchase: \$30,000

Total Time Spent On Site: 2-3 hours per month

ROI If sold today: 150% Annualized Return

Case Study 2

Site bought: May 2018 \$34,000

Site value now: \$51,000

Earned in 1 year: \$12,250

ROI: 150% if sold, 36% if held.

My Learnings

1. Sites never pan out exactly as planned - So plan for this
2. If you buy a site and fail to grow it, is it still a good deal?
3. Sites are taking longer to respond than before.
4. What you focus on grows, so don't expand too quickly
5. Multiples will keep on increasing and bigger players are moving into the space. There is still a lot of opportunity, but for how long?

Q&A

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