



Chris Heaslip | CEO and Co-founder
www.pushpay.com

FY17 Results Investor Briefing | 18 May 2017

Important notice



This presentation is given on behalf of Pushpay Holdings Limited (Pushpay).

NZSX:PPH | ASX:PPH | New Zealand Company Number: 3481675 | ARBN: 613 314 104

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All information in this presentation is current at the date of this presentation, unless stated otherwise.

All currency amounts are in United States Dollars (USD) unless stated otherwise.

Please refer to the Appendix for definitions of key metrics used in this presentation.

Agenda



1. Chief Executive update
2. People, product and processes
3. Financial update
4. Opportunity
5. Questions



Chief Executive update

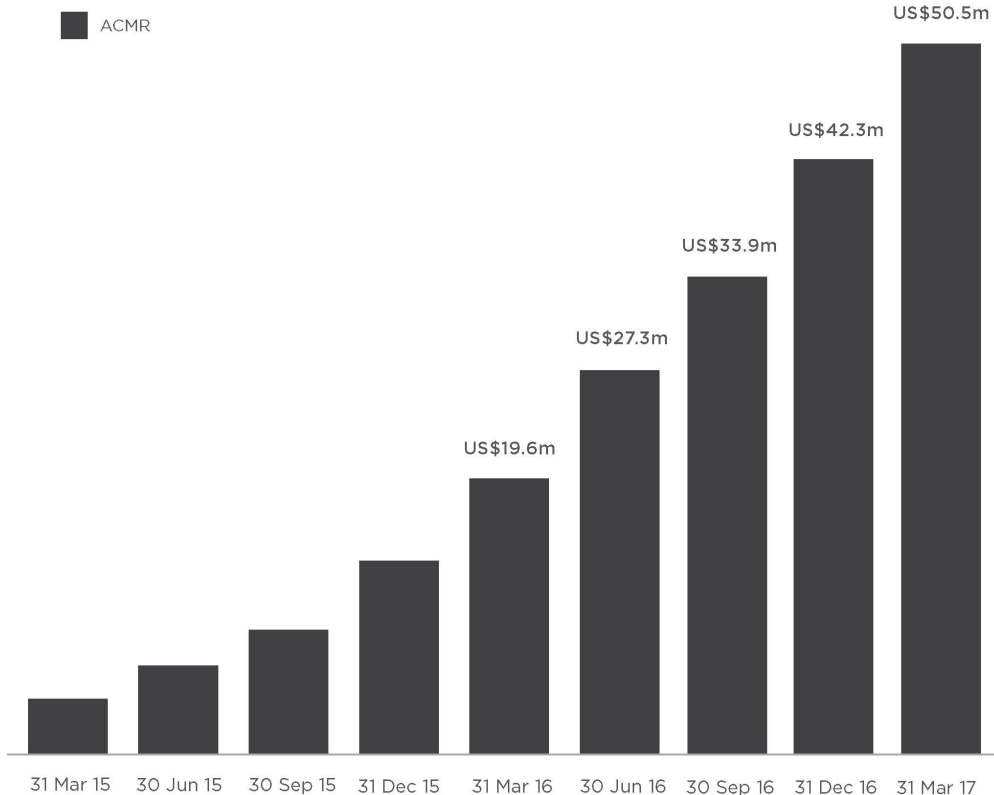
Key metrics

Key metrics*	FY 2017 (US\$)	FY 2016 (US\$)	Change
Increase in Annualised Committed Monthly Revenue (ACMR) over the year	\$30.9m	\$15.6m	▲ 97.9%
ACMR	\$50.5m	\$19.6m	▲ 157.7%
Total Customers	6,737	3,766	▲ 78.9%
Average Revenue Per Customer (ARPC)	\$625 per month	\$434 per month	▲ 44.1%
Increase in total Lifetime Value (LTV) of Customer base over the year	\$356.5m	\$157.3m	▲ 126.6%
Total LTV of Customer base	\$568.0m	\$211.5m	▲ 168.6%
Months to Recover Customer Acquisition Cost (CAC)	<12 months	<12 months	✓
Annual Revenue Retention Rate	>95%	>95%	✓
Staff Headcount	376	215	▲ 74.9%
Cash and Available Funding Lines	\$13.4m	\$11.2m	▲ 20.0%
Published App rank in the Apple App Store worldwide	5	13	▲ 61.5%
Transactions processed over the year	6.1m	1.9m	▲ 220.1%
Average transaction value over the year	\$197	\$183	▲ 7.7%
Annualised Monthly Payment Transaction Volume	\$1.8b	\$0.6b	▲ 193.1%

Pushpay has delivered another year of world-class growth, whilst maintaining best-in-class SaaS efficiency metrics.

* Please refer to the Appendix for definitions of key metrics

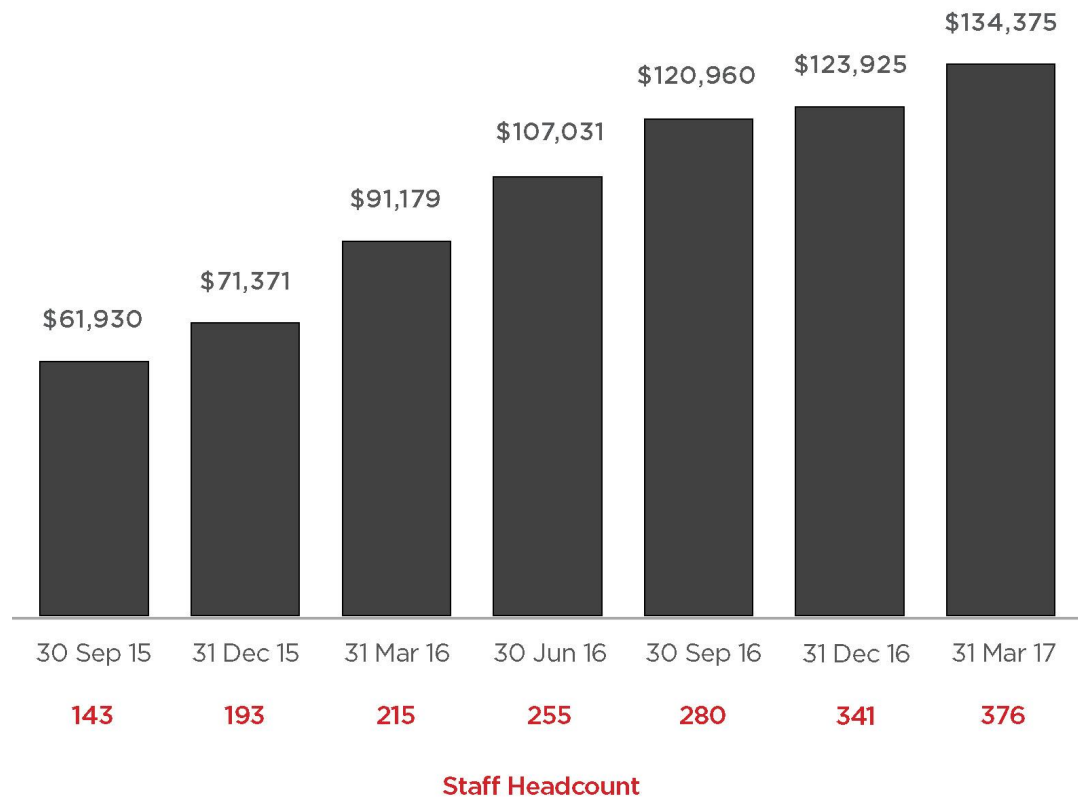
ACMR growth



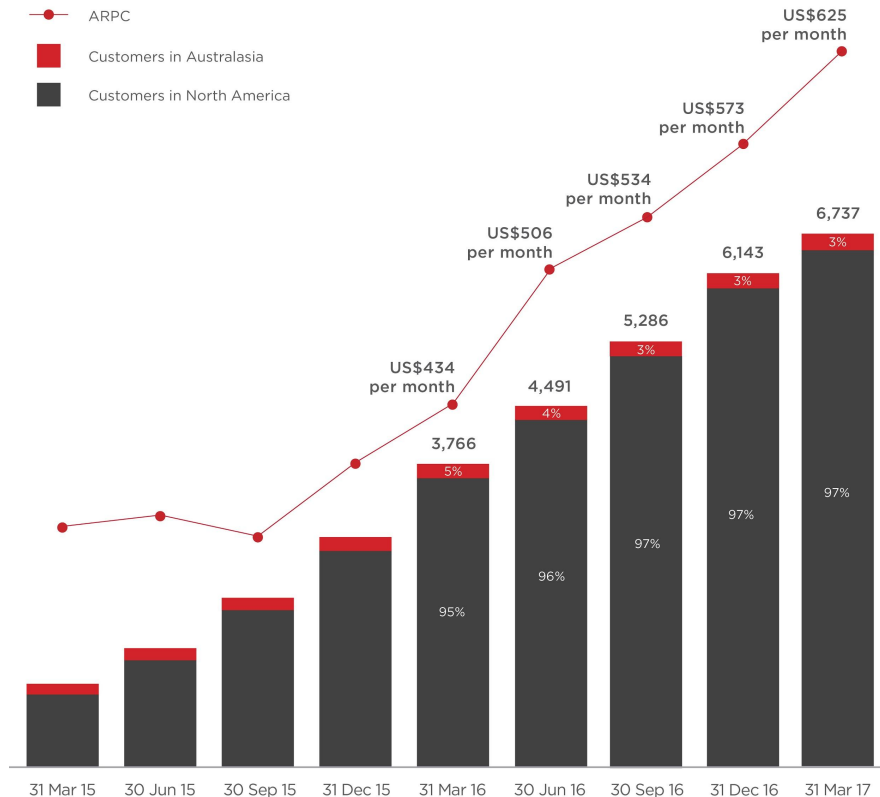
US\$50.5m ACMR

- ACMR ▲\$30.9 million to \$50.5 million, an increase of 157.7% over the year to 31 March 2017
- Remain in a position to achieve US\$72 million ACMR target prior to the end of calendar year 2017
- Utilisation of Pushpay's software and processing platform, coupled with attracting larger Customers has driven the substantial growth in ACMR over the year

ACMR per headcount



ARPC & Customer growth



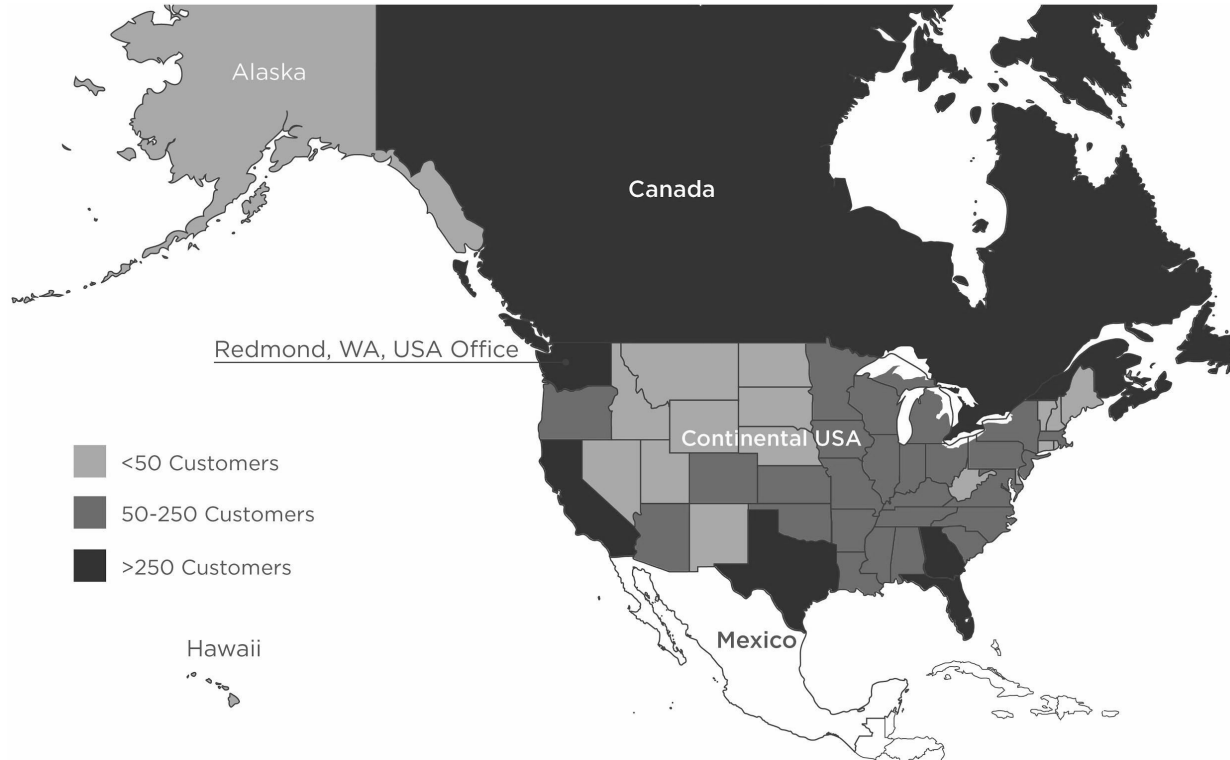
US\$625
per month ARPC

- Customer numbers ▲ 2,971 to 6,737, an increase of 78.9% over the year to 31 March 2017
- Servicing over 2% of the USA faith sector*
- Focus on attracting larger Customers
- 10 of the top 20 and 36 of the top 100 largest churches in the USA**

*2% of 314,000 churches as per the US Census Bureau (2012). Statistical Abstract of the United States: 2012

**Outreach Magazine (2016). 100 Largest Participating Churches 2016

Customer reach



Note: Includes locations in North America of all Customers which have been added to the Pushpay platform since inception through to 31 March 2017.

Customer LTV/CAC

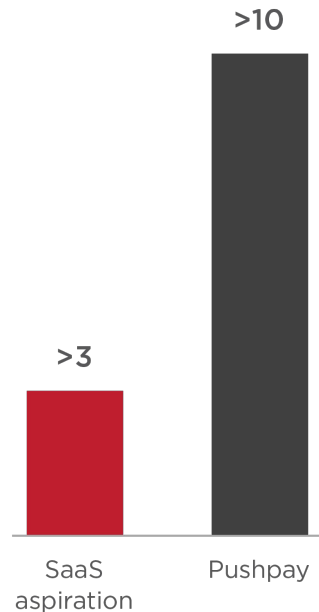
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LTV/CAC

- Months to Recover CAC = **<12 months**
- Annual Revenue Retention Rate = **>95%**
- Lifetime Value (LTV) = is ARPC multiplied by 12, multiplied by the gross profit percentage
- LTV/CAC is LTV divided by the average Customer lifetime (the average Customer lifetime is 1 divided by churn, being one minus the Annual Revenue Retention Rate)



LTV/CAC Ratio



Total LTV of Customer base



Key metrics	FY 2017 (US\$)	FY 2016 (US\$)	Change
Increase in total Lifetime Value (LTV) of Customer base over the year	\$356.5m	\$157.3m	▲ 126.6%
Total LTV of Customer base	\$568.0m	\$211.5m	▲ 168.6%

Efficiency metrics



Months to Recover CAC

Remains <12 months

Revenue Retention Rate

Remains >95%



People, products & processes

Kiara Tresidder, Customer Success Manager and Amy Cheek, Program Manager

Management team



Chris Heaslip
CEO, Executive Director
and Co-founder



Eliot Crowther
Sales, Executive Director
and Co-founder



Shane Sampson
CFO



Steve Basden
President of echurch



James Maiocco
Chief Business Development
Officer



Catherine Burk
VP Talent



Josh Robb
VP Engineering



Kevin Kuck
VP Operations



Sean Reiter
SVP Marketing



Matt Tresidder
VP Sales



Isaiah Stewart
VP, SDR Sales



Troy Pollock
VP Customer Success

376 staff across Redmond, WA, USA and Auckland, New Zealand
(as of 31 March 2017)

People



<i>Year ended 31 March</i>	<i>2017</i>	<i>2016</i>	<i>Change</i>
Product development and maintenance	94	43	119%
Sales and marketing	161	98	64%
Customer success	58	40	45%
General and other administration	63	34	85%
Total group	376	215	75%

- ▲ 161 to 376, an increase of 74.9% over the year to 31 March 2017
- Product development and Sales and Marketing roles, comprised more than 70% of the headcount added in the year
- Pushpay has attracted a world-class team. James Maiocco joined as Chief Business Development Officer, Matt Vaughan in our Legal team and Catherine Burk as VP Talent
- Pushpay has also retained exceptional talent, choosing to promote from within where possible. Steve Basden was promoted to President of echurch and Kevin Kuck relocated from Auckland to the USA to lead Pushpay's Operations team

- Cash and Check Recording
- Auto Pay
- Text Giving
- Annual Giving Statements
- echurch™ Apps

“Pushpay continues to invest in making its engagement and giving solutions more intuitive, simple and secure.”

Current solution



Group directories



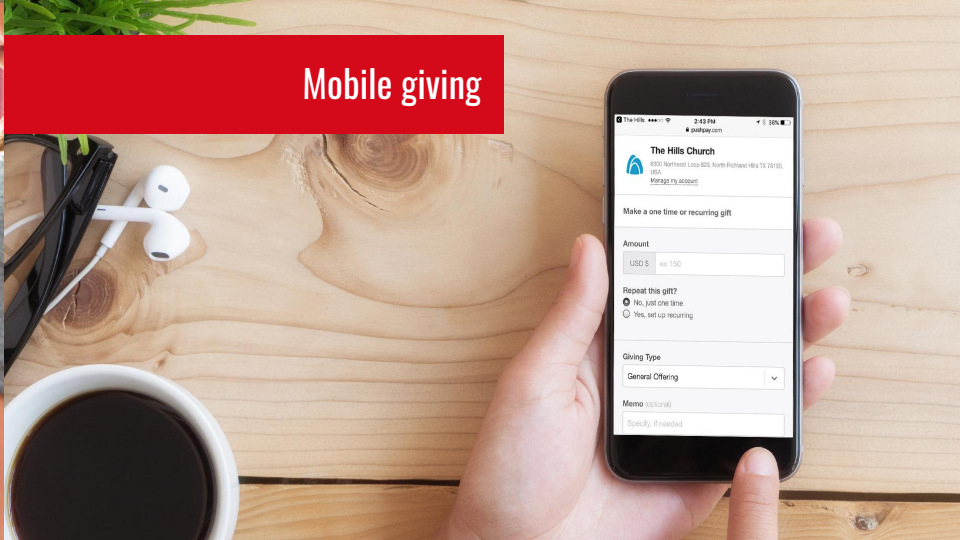
Video sermons



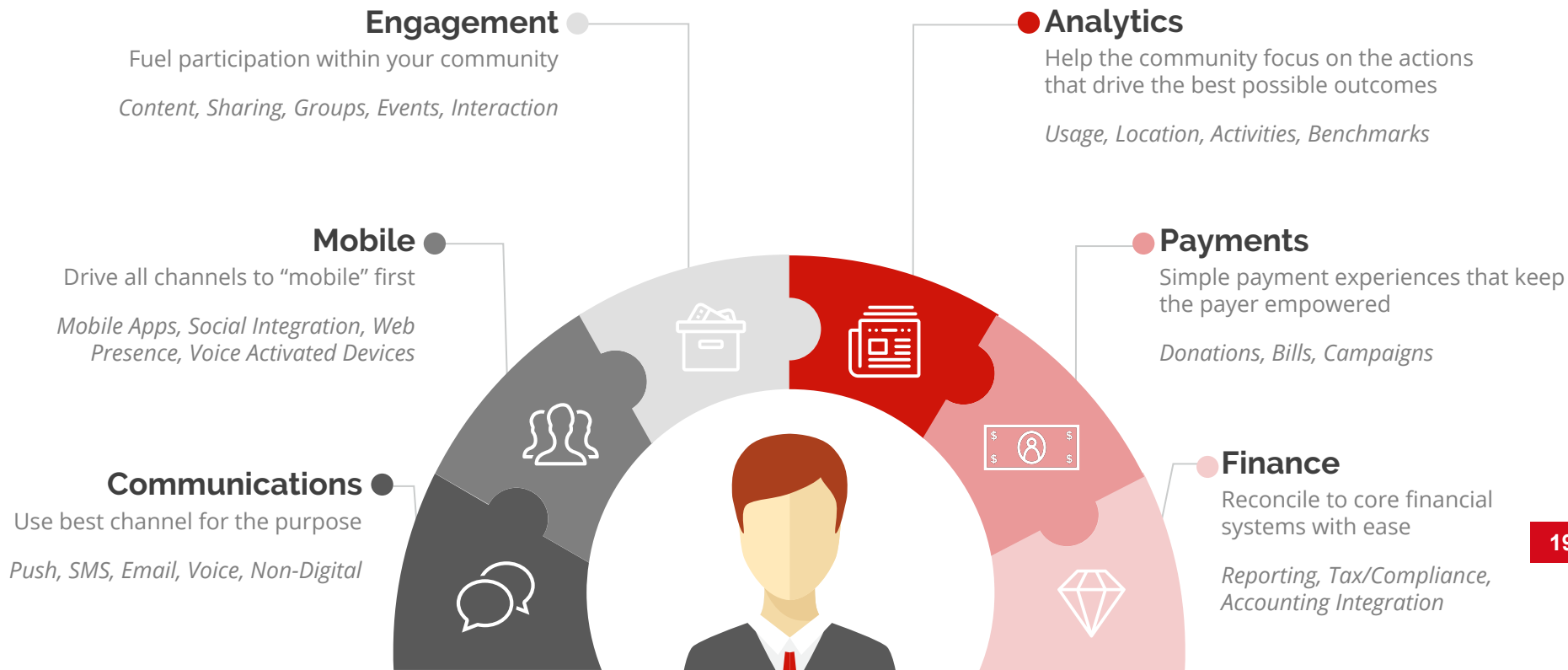
Geo-targeted messaging



Mobile giving



Product themes



Processes



- Pushpay continues to invest in scaling the business with the implementation of leading SaaS solutions, as shown on the following slide, to drive growth and efficiency across the organisation
- These are in addition to further development of business processes using the Pushpay Salesforce implementation and the Pushpay onboarding solution that was developed in-house

Readiness to scale



Pipeline

MARKETING

25 staff EO FY2017
Aggressive digital go to market
Content-acquisition
Thought-leadership

SALES

136 staff EO FY2017
Inside direct sales
SDR + AE acquisition
AM upsell

SUCCESS

58 staff EO FY2017
Implementation team
Customer success
24/7 Support

Supporting SaaS Software



+7 plugins



+7 plugins



+4 plugins

Core Systems



slack



Industry recognition



A man with short dark hair, wearing a grey turtleneck sweater and a red lanyard with a badge, is seated at a desk in a modern office. He is looking at a large computer monitor and has his hands on a keyboard. The office has large windows in the background, and other people are visible working at their desks. A green plant is on the right side of the frame.

Financial update

Rah-Miel Mitchell, Senior Salesforce Administrator

Income Statement



	<i>Year ended 31 March 2017 US\$000</i>	<i>Year ended 31 March 2016 US\$000</i>	<i>Movement US\$000</i>	<i>Change</i>
Total revenue and other income	34,271	10,077	24,194	240%
Total expenses	-59,279	-23,434	-35,845	153%
Net loss before tax	-25,008	-13,357	-11,651	87%
Total comprehensive loss for the year	-25,216	-13,959	-11,257	81%

Note - all numbers are for continuing operations other than total comprehensive loss attributable to shareholders

Business results & gross profit



	<i>Year ended 31 March 2017 US\$000</i>	<i>Year ended 31 March 2016 US\$000</i>	<i>Movement US\$000</i>	<i>Change</i>
Subscription revenue	10,789	3,027	7,762	256%
Processing revenue	23,167	6,918	16,249	235%
Total operating revenue	33,956	9,945	24,011	241%
Third party direct costs	-14,869	-4,580	-10,289	225%
Gross profit	19,087	5,365	13,722	256%
<i>Percentage of operating revenue</i>	56%	54%		2pp

pp means percentage point

Operating expenses (ex third party direct)



	<i>Year ended 31 March 2017 US\$000</i>	<i>Year ended 31 March 2016 US\$000</i>	<i>Movement US\$000</i>	<i>Change</i>
Product development and maintenance	-7,042	-1,905	-5,137	270%
Sales and marketing	-19,206	-10,044	-9,162	91%
Customer success	-3,000	-1,195	-1,805	151%
General and other administration	-15,101	-5,865	-9,236	157%
Total operating expenses	-44,349	-19,009	-25,340	133%
<i>Percentage of operating revenue</i>	131%	191%		60pp

pp means percentage point

Statement of Cash Flows



	<i>Year ended 31 March 2017 US\$000</i>	<i>Year ended 31 March 2016 US\$000</i>	<i>Movement US\$000</i>	<i>Change</i>
Receipts from customers	20,572	8,298	12,274	148%
Other operating activities	-39,166	-19,398	-19,768	102%
Net cash flows from operating activities	-18,594	-11,100	-7,494	68%
Net cash flows from investing activities	-5,577	-2,716	-2,861	105%
Net cash flows from financing activities	29,510	22,898	6,612	29%
Net increase in cash and cash equivalents	5,339	9,082	-3,743	41%
Cash & cash equivalents at the end of the year	13,406	8,420	4,986	59%

Statement of Financial Position



	<i>Year ended 31 March 2017 US\$000</i>	<i>Year ended 31 March 2016 US\$000</i>	<i>Movement US\$000</i>	<i>Change</i>
Cash and cash equivalents	13,406	8,420	4,986	59%
Other assets	16,696	8,511	8,185	96%
Unearned revenue	-6,094	-836	-5,258	629%
Other current liabilities	-5,203	-2,141	-3,062	143%
Net assets/total equity	18,805	13,954	4,851	35%

- Cash ▲ US\$5.0 million to US\$13.4 million, an increase of 59% over the year to 31 March 2017
- March 2016 - sold the Run The Red business for NZ\$4.5 million, final payment of NZ\$0.5m was received in March 2017
- October 2016 - ASX listing and AU\$40.0 million placement
- November 2016 - NZ\$10.0 million loan facility retired
- November 2016 - acquired Bluebridge church app customers and IP licence for US\$3.1m
- February 2017 - Callaghan Innovation funding agreement for up to NZ\$5.0m (GST exclusive) per annum for eligible R&D expenditure, over a 36 month period



Opportunity

Julie Crowner, Director of Technical Operations

Track record of success



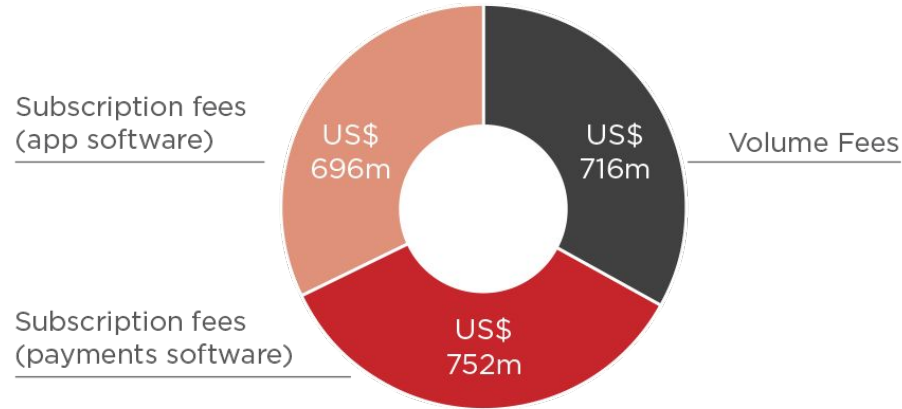
- ☒ 31 December 2014 targets achieved
- ☒ 31 March 2015 target exceeded
- ☒ 30 September 2015 target exceeded
- ☒ 31 March 2016 target exceeded

- ☒ In a position to achieve breakeven on a monthly cashflow basis prior to the end of calendar 2017
- ☒ In a position to achieve US\$72 million ACMR prior to the end of calendar 2017

USA Faith sector TAM is growing



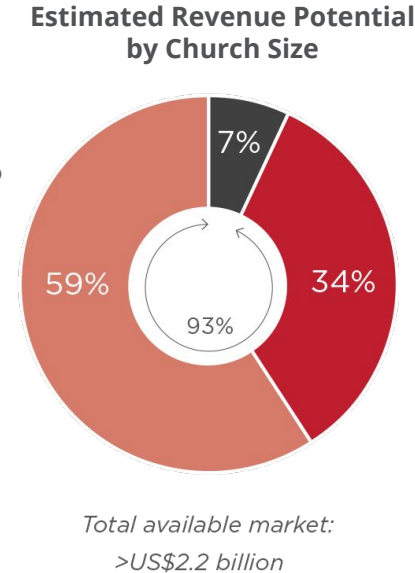
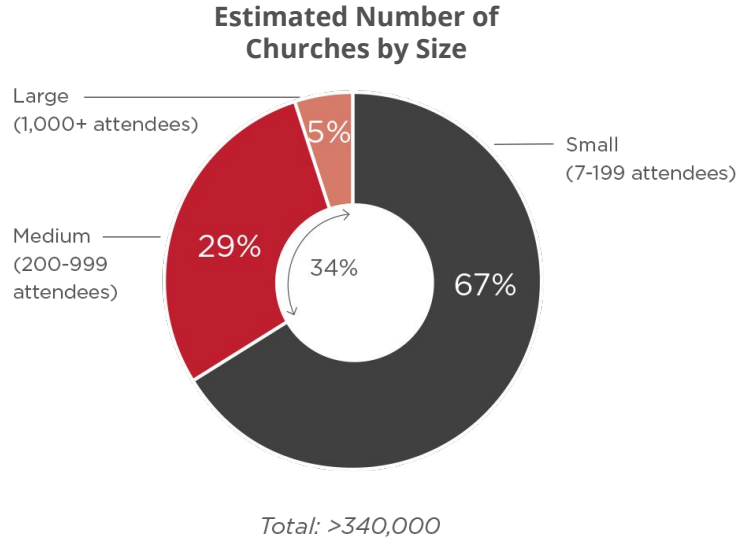
2015



Total addressable market (TAM) grows from US\$2.2 billion to US\$3.1 billion of annual revenue in 2020

Note - Please see slide 36 for relevant workings and sources

USA Faith sector opportunity



- Large and Medium sized churches represent only 34% of the total # of churches, but 93% of the revenue/total available market opportunity
- Pushpay has 10 of the top 20 and 36 of the top 100 USA churches

Note - Please see slide 36 for relevant workings and sources

USA Faith sector break-down*



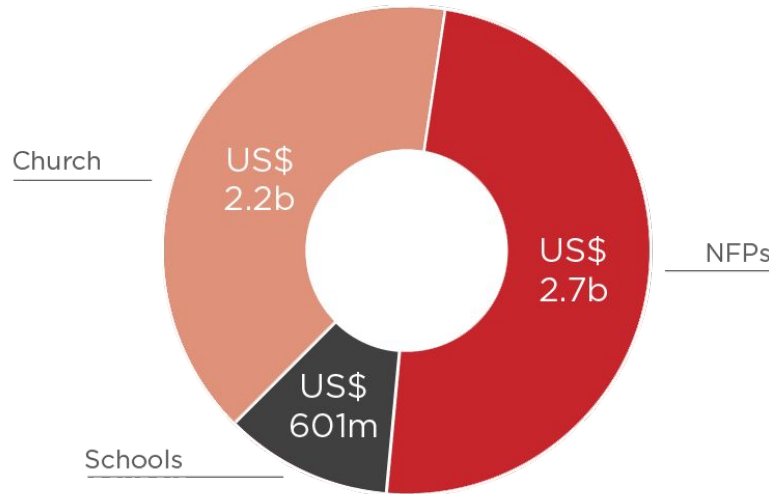
<i>Denomination</i>	<i>Number of churches</i>	<i>Total attendance</i>
Evangelical and Protestant	286,626	77,546,696
Catholic	20,589	58,928,987
Latter-day Saints	14,393	6,267,771
Other Faiths	11,661	6,667,542
Other Christian	9,074	218,625
Orthodox Christian	2,551	1,056,535
Total	344,894	150,686,156

- Total giving of US\$119.3 billion in 2015**
- Giving has increased over 2% per year over the last 10 years and at an average rate of 3.13% over the last three years**
- Donations are tax deductible in the USA, Canada, Australia and New Zealand

* Hartford Institute (2010). Religious Congregations Membership Study

** Source: Giving USA (2016). The Annual Report on Philanthropy for the year 2015

USA Faith Sector revenue opportunity



\$5.5B+
Total Addressable
Market

- US\$2.2b TAM in US churches in 2015
- US\$2.7b TAM in US faith-affiliated Not-for-Profit (NFP) Organizations in 2015
- US\$601m TAM in US faith-based Education in 2015

Note - Please see slide 36 for relevant workings and sources

Relevant workings and sources



US\$119.3 billion was given to religious organisations in the USA in 2015. Using that figure, and assuming digital giving of 30%, Pushpay assesses the potential digital payment revenue opportunity in the USA faith sector (i.e. in terms of subscription and transaction fees which could be earned from digital payments) to be US\$2.2 billion. If total religious giving in the USA was to grow by 3.13% per annum and if total giving through digital payments was to increase by 6% per annum, the potential digital payment revenue opportunity in the USA Faith Sector grows to US\$2.4 billion in 2020. Pushpay has calculated these revenue opportunity figures on the basis of its current subscription and transaction fee pricing, on an assumption that there are over 340,000 churches in the USA faith sector (including Catholic Churches, Mormon Churches and Orthodox Churches) and on the basis of assumed church sizes (which Pushpay has estimated on the basis of demographic data).

Giving USA (2016). The Annual Report on Philanthropy for the year 2015

Hartford Institute (2010). Religious Congregations Membership Study

Hartford Institute (2010). Religious Congregations Membership Study and other demographic data

Pushpay estimates from various public and internal sources

USA market opportunity



>340,000
Faith Sector
(Churches)*

Market leader with 2%
market share and long
term duration growth

1.4
million
Not-For-Profit (NFP)
Organizations**

Each Church Donor gives to an average of 7 other NFPs

* Hartford Institute (2010). Religious Congregations Membership Study

**Urban Institute (2014). The Nonprofit Sector in Brief 2014: Public Charities, Giving, and Volunteering

Growth drivers



Large under-served market

Capitalising on leadership position to dominate the USA faith sector, with potential to expand to faith-affiliated NFPs and faith-based Education

Consistent ACMR growth

ACMR growth of 157.7% in FY2017 from US\$19.6m to US\$50.5m. March 2017 quarter ACMR add of US\$8.2m was the highest ever quarter for organic growth

Two revenue streams

- Volume fees (usually a percentage of payment transaction volume)
- Subscription fees (a monthly fee usually based on merchant size)
- Fuel ongoing internal account growth

Best-in-class SaaS metrics

Pushpay's growth is being achieved whilst maintaining best-in-class efficiency metrics, including a greater than 95% Annual Revenue Retention Rate and less than 12 Months to Recover CAC



Questions

Chris Heaslip, CEO & Co-founder and Champ Vinitnantharat, Account Executive

Appendix



Annual Revenue Retention Rate – is recurring revenue retained from Customers (for example, in the case of Customers in the faith sector, this is measured by the amount of recurring revenue at the end of the period excluding upsells into the existing Customer base, over the amount of recurring revenue from the end of the previous period).

Annualised Committed Monthly Revenue (ACMR) – is monthly Average Revenue Per Customer (ARPC) multiplied by total Customers and annualised. ACMR is a key metric to track how a SaaS business is acquiring revenue.

Annualised Monthly Payment Transaction Volume – is the annualised four week average payment transaction volume, excluding weeks falling in December given this is a seasonal high period.

Average Revenue Per Customer (ARPC)

Current definition	Future updates to definition	Effective date
Average Revenue Per Customer (ARPC) – is the combination of monthly Subscription Fees and Volume Fees divided by total Customers. Subscription Fees are based on the customer product holding which can vary based on the size of the Customer and Volume Fees are based on payment transaction volume. For Customers who use Pushpay's payment solution, Volume Fees are recognised on a gross basis and associated costs payable to issuing banks, processing partners and the card brands, such as Visa and MasterCard, are classified as expenses. In order to remove the seasonal effect on Volume Fees the last 12-month average Volume Fee per Customer is used for the Volume Fee component of ARPC.	Last sentence will be updated to read: "The last 9-month average Volume Fee per Customer is used for the Volume Fee component of ARPC."	30 June 2017
	Last sentence will be updated to read: "The last 6-month average Volume Fee per Customer is used for the Volume Fee component of ARPC."	30 September 2017
	Last sentence will be updated to read: "The last 3-month average Volume Fee per Customer is used for the Volume Fee component of ARPC."	31 December 2017

Appendix



Customer – is an entity that utilises one or more Pushpay products. Pushpay reports Customers that have entered into an agreement and completed the paperwork necessary to set up their service.

Customer Acquisition Cost (CAC) – is sales, marketing and implementation costs divided by the number of new Customers added over a certain period of time.

Lifetime Value (LTV) – is the gross margin expected from a Customer over the lifetime of that Customer. This is calculated by taking the ARPC multiplied by 12, multiplied by the gross profit percentage. Total LTV is calculated as LTV multiplied by total Customers.

LTV/CAC – LTV divided by the average Customer lifetime (the average Customer lifetime is 1 divided by churn, being one minus the Annual Revenue Retention Rate)

Months to Recover CAC – (CAC months or months of ARPC to recover CAC) is the number of months of revenue required to recover the cost of acquiring each new Customer.

Staff Headcount – is total employees at a specific point in time.

Subscription Fees – is recurring fees based on Customer product holding which can vary based on the size of the Customer (in the case of the faith sector, size is based on average weekly attendance).

Volume Fees – is variable fee income generated from payment transaction volume (in the case of the faith sector, this is usually a percentage of total donations).