



Pushpay[®]

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2018 Interim Results Investor Briefing

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

Information in this presentation:

- is for general information purposes only, and is not an offer or invitation for subscription, purchase, or recommendation of securities in Pushpay;
- should be read in conjunction with, and is subject to, Pushpay's Interim and Annual Report, market releases, and information published on Pushpay's website www.pushpay.com;
- includes forward-looking statements about Pushpay and the environment in which Pushpay operates, which are subject to uncertainties and contingencies outside of Pushpay's control – Pushpay's actual results or performance may differ materially from these statements;
- includes statements relating to past performance, which should not be regarded as a reliable indicator of future performance; and
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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.

Agenda



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



Chief Executive update

Chris Heaslip | CEO, Executive Director and Co-founder

Performance highlights



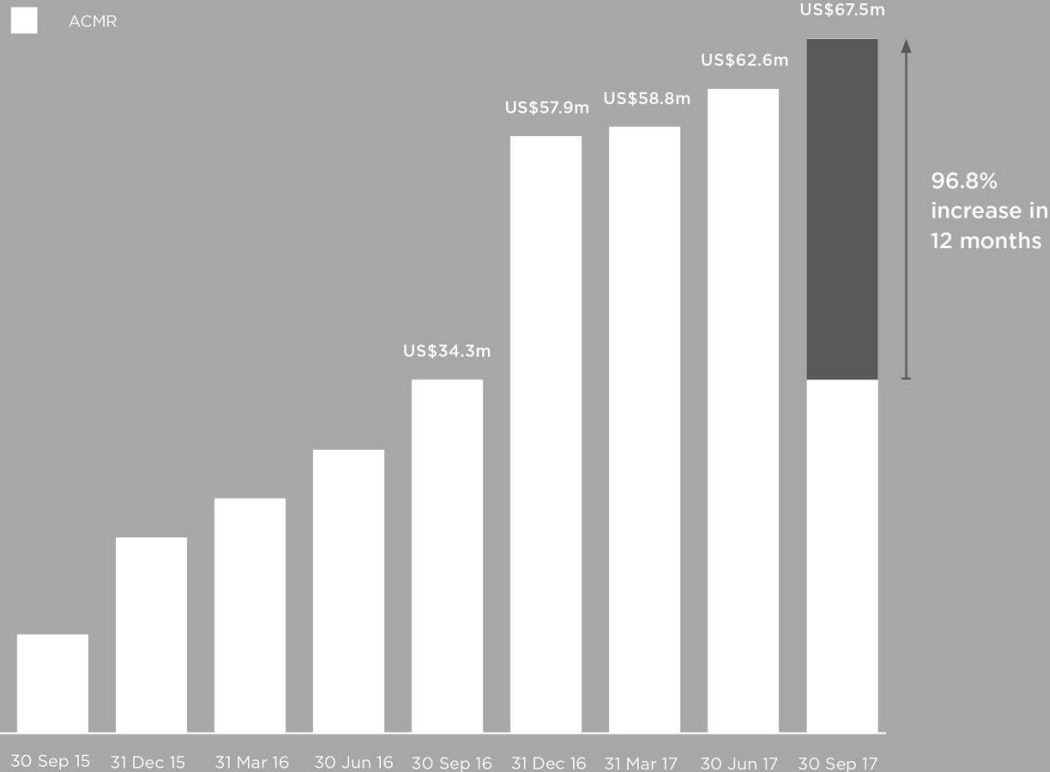
	Six months ended 30 Sep 2017	Six months ended 30 Sep 2016	% change
Revenue	US\$29.7m	US\$12.1m	▲ 145.1%
Net loss	(US\$12.5m)	(US\$11.3m)	▲ 10.4%
Key metric*	As at 30 Sep 2017	As at 30 Sep 2016	% change
Annualised Committed Monthly Revenue (ACMR)	US\$67.5m	US\$34.3m	▲ 96.8%
Increase in ACMR over the year	US\$33.2m	US\$24.7m	▲ 34.4%
Total Customers	7,121	5,286	▲ 34.7%
Average Revenue Per Customer (ARPC)	US\$790 per month	US\$540 per month	▲ 46.3%
Total Lifetime Value (LTV) of Customer base	US\$769.1m	US\$397.6m	▲ 93.4%
Increase in Total LTV of Customer base	US\$371.5m	US\$297.5m	▲ 24.9%
Months to Recover Customer Acquisition Cost (CAC)	<12 months	<12 months	✓
Annual Revenue Retention Rate	>95%	>95%	✓
Staff Headcount	341	280	▲ 21.8%
Cash and Available Funding Lines	US\$25.5m	US\$7.0m	▲ 264.3%
Annualised Monthly Payment Transaction Volume	US\$2.1b	US\$1.0b	▲ 110.0%

ACMR, ARPC, LTV, CAC, Annual Revenue Retention Rate and Annualised Monthly Payment Transaction Volume are not GAAP financial measures and are not prepared in accordance with NZ IFRS.

Pushpay has continued to exceed guidance, delivering on its strategic growth plan whilst maintaining best-in-class SaaS metrics.

* Please refer to the Appendix for definitions of key metrics

ACMR growth



US\$100m
target ACMR by
31 December 2017

Pushpay's North American Customers*

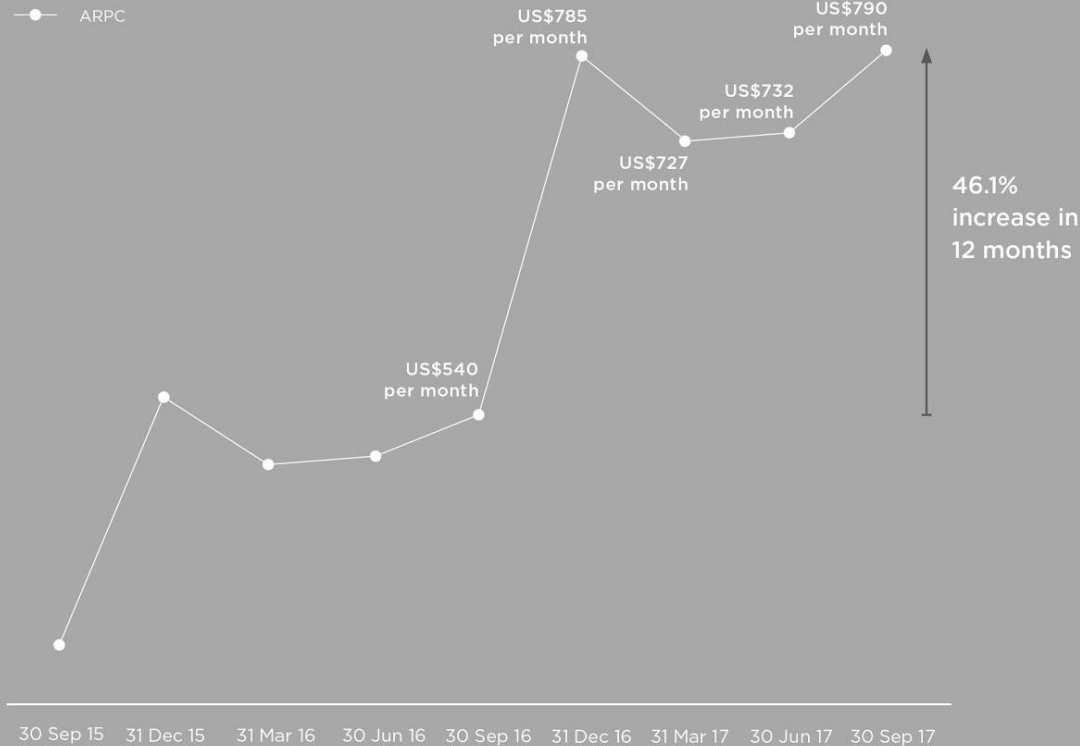


**12 of the top 20 and
50 of the top 100
largest churches in
the USA use
Pushpay****

* Map includes locations in North America of Customers which have been added to the Pushpay platform as at 30 September 2017.

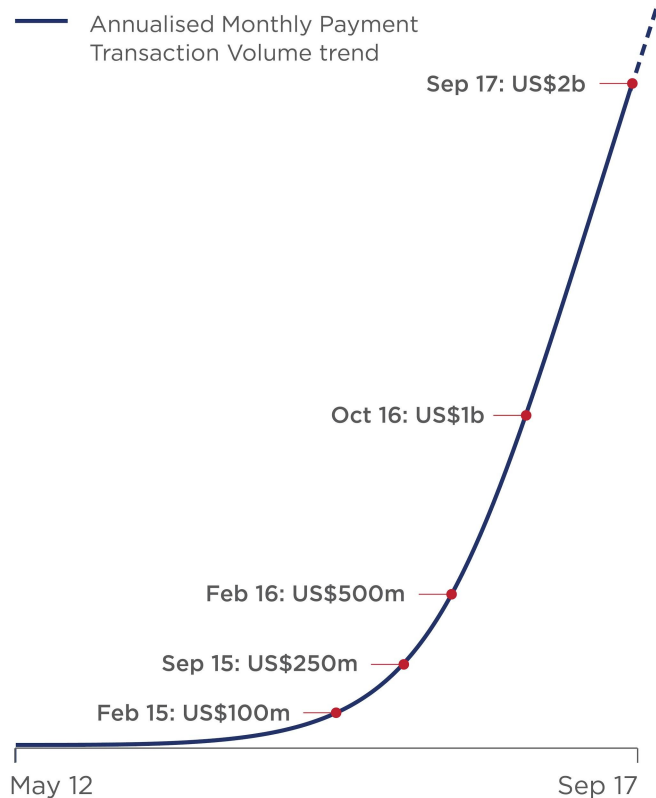
** Outreach Magazine (2017). Outreach 100 Annual Report

ARPC growth



US\$790
per month ARPC

Volume growth



Drivers of monthly payment transaction volume growth:

- Increased Customer numbers
- Increasing Customer size
- Increased % of digital payments
- Increased transaction value
- Increases in giving to the US faith sector

Months to Recover CAC

Remains <12 months

Revenue Retention Rate

Remains >95%

A woman with long, wavy brown hair and blue eyes is smiling and looking at a computer monitor. She is wearing a dark jacket over a light-colored top. The background is a blurred office environment with a concrete pillar and another person's head visible in the foreground.

People, products & processes

Megan Johnson | Field Marketing Specialist

World-class 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



Josh Robb
VP Engineering



Kevin Kuck
VP Operations



Matt Tresidder
VP Sales



Troy Pollock
VP Evangelism



Tracy Bush
VP Customer Success

341 staff across Redmond, WA, USA and Auckland, New Zealand
(as of 30 September 2017)



People



<i>At 30 September</i>	<i>2017</i>	<i>2016</i>	<i>Change</i>
Product design and development	86	63	37%
Sales and marketing	126	115	10%
Customer success	62	50	24%
General and administration	67	52	29%
Total group	341	280	22%



Staff numbers increased to 341, an increase of 22% over the year to 30 Sep 2017



Pushpay welcomed US Customer Success expert Dan Steinman to the Pushpay Board

#1

“People come first” - Company focus on growing our team’s culture and competency

Product history



Jul 2011

Pushpay founded in Auckland, New Zealand by Chris Heaslip and Eliot Crowther

iOS

Aug 2012

iOS App released
Visa and MasterCard payments accepted



May 2014

Run The Red SMS gateway assets acquired



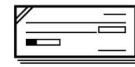
Jan 2015

Touch ID payments on iOS released
Card entry by camera on iOS and Android released



Sep 2015

Fastpay five second giving released
Virtual Terminal / Envelope Giving released



Jun 2016

Auto Pay released
Cash and Check Recording released

echurch
Powered by Pushpay

Apr 2017

echurch Apps 3.0 released

Jun 2017

Check Deposit released

Nov 2012

Android App released



Sep 2014

ZipZap Processing Inc commenced operations



Nov 2014

AMEX, Discover, NZ bank payments and ACH payments accepted



Jun 2015
echurch Apps released

Mar 2016
Event registration solution offered

Dec 2015

3D Touch capability released



Nov 2016
Text Giving released
Bluebridge Digital, Inc's church app business acquired

Dec 2016

Annual Giving Statements released



Current offering - engagement focus



Mobile

Drive all channels to “mobile” first

Mobile Apps, Social Integration, Web Presence, Voice Activated Devices

Engagement

Fuel participation within your community

Content, Sharing, Groups, Events, Interaction

Payments

Simple payment experiences that keep the payer empowered

Donations, Bills, Campaigns

Finance

Reconcile to core financial systems with ease

Reporting, Tax/Compliance, Accounting Integration

Analytics

Help the community focus on the actions that drive the best outcomes

Usage, Location, Activities, Benchmarks

Communications

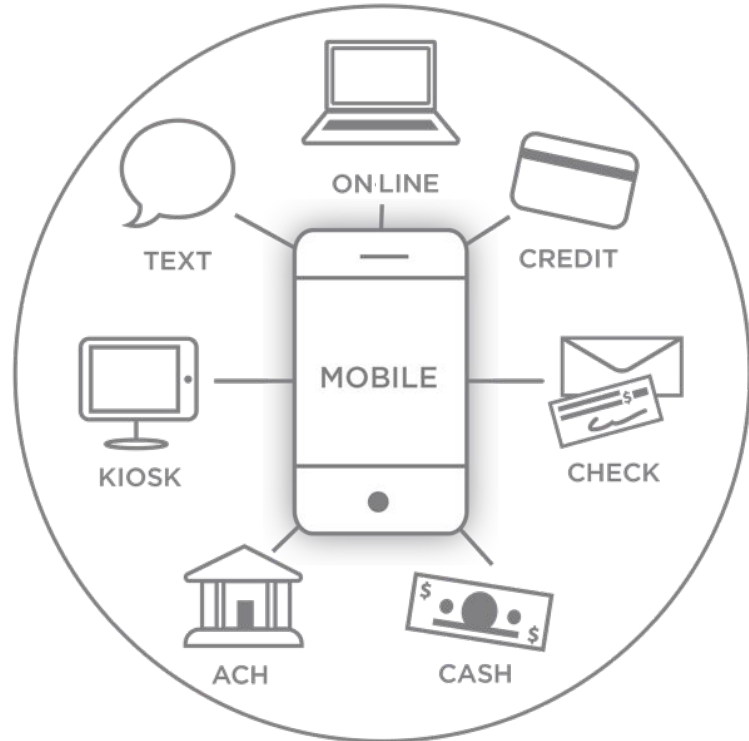
Use best channel for the purpose

Push, SMS, Email, Voice, Non-Digital

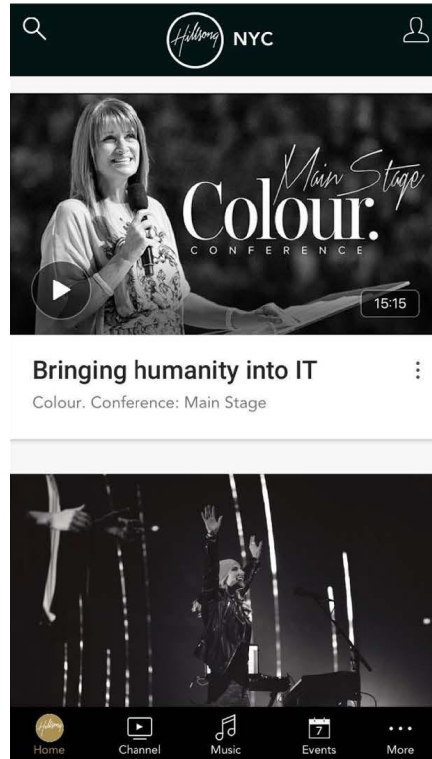
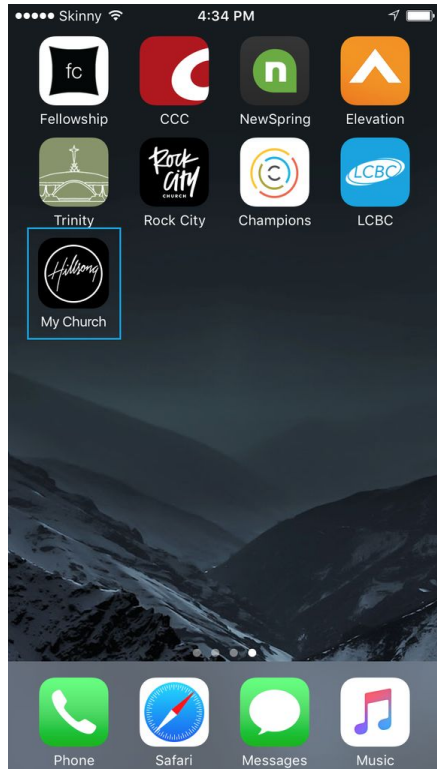


What does that journey look like?

- Online giving
- Mobile giving
- Custom church app
- Admin portal



Product strategy



November 2017 - superior experience with a Consolidated App and personalized home screen:

- Highly improved user interface
- Custom app-branded experience
- Lower costs to maintain
- Higher level of control over features
- Greater product feature set

Pushpay is uniquely positioned to deliver innovation:

- High level of expertise and resource in Pushpay's product development team
- Bluebridge acquisition, has provided foundational IP and knowledge

Readiness to scale



Pipeline

MARKETING

22 staff - 30 Sep 2017
Aggressive digital go to market
Content-acquisition
Thought-leadership

SALES

104 staff - 30 Sep 2017
Inside direct sales
SDR + AE acquisition
AM upsell

SUCCESS

62 staff - 30 Sep 2017
Implementation team
Customer success
24/7 Support

Supporting SaaS Software



+7 plugins



+7 plugins



+7 plugins

Core Systems



slack



zuora

Industry recognition





Financial update

Audrey Cheng | Principal Product Manager and Josh Robb | VP Engineering

Income Statement



	<i>Six months to 30 Sep 2017</i>	<i>Six months to 30 Sep 2016</i>	<i>Movement</i>	
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>Change</i>
Revenue	29,742	12,135	17,607	145%
Gross Profit	16,420	6,933	9,487	137%
Operating Expenses	(29,930)	(18,298)	(11,632)	64%
Net loss	(12,519)	(11,339)	(1,180)	10%
Total comprehensive loss for the year	(12,606)	(10,954)	(1,652)	15%
<i>Percentage of operating revenue</i>	-44%	-91%		47pp

pp means percentage point

Business results and gross profit



	<i>Six months to 30 Sep 2017 US\$000</i>	<i>Six months to 30 Sep 2016 US\$000</i>	<i>Movement US\$000</i>	<i>Change</i>
Subscription revenue	8,926	4,018	4,908	122%
Processing revenue	19,805	7,967	11,838	149%
Total operating revenue	28,731	11,985	16,746	140%
Third party direct costs	(12,311)	(5,052)	(7,259)	144%
Gross profit	16,420	6,933	9,487	137%
<i>Gross margin percentage</i>	57%	58%		-1pp

Operating expenses (ex third party direct)



	<i>Six months to 30 Sep 2017</i>	<i>Six months to 30 Sep 2016</i>	<i>Movement</i>	
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>Change</i>
Product design and development	(7,093)	(3,002)	(4,091)	136%
Sales and marketing	(13,732)	(9,601)	(4,131)	43%
Customer success	(3,017)	(1,816)	(1,201)	66%
General and administration	(6,088)	(3,879)	(2,209)	57%
Total operating expenses	(29,930)	(18,298)	(11,632)	64%
<i>Percentage of operating revenue</i>	-104%	-153%		-49pp

Statement of Cash Flows



	<i>Six months to 30 Sep 2017</i>	<i>Six months to 30 Sep 2016</i>	
	<i>US\$000</i>	<i>US\$000</i>	<i>Change</i>
Receipts from Customers	17,182	8,580	100%
Other operating cash flows	(26,886)	(15,620)	72%
Total cash flows from operating activities	(9,704)	(7,040)	38%
Investing cash flows	(2,448)	(1,665)	47%
Total operating and investing cash flows	(12,152)	(8,705)	40%
Financing activities	24,599	949	2,492%
Foreign currency translation adjustment	(348)	3	-11,500%
Net movement in cash and cash equivalents	12,099	(7,753)	256%

Statement of Financial Position



	<i>As at 30 Sep 2017 US\$000</i>	<i>As at 31 Mar 2017 US\$000</i>	<i>Movement US\$000</i>	<i>Change</i>
Cash and cash equivalents	25,505	13,406	12,099	90%
Other assets	6,879	5,713	1,166	20%
Unearned revenue	(6,678)	(6,094)	(584)	10%
Other current liabilities	(4,488)	(5,203)	715	-14%
Net assets / total equity	31,521	18,805	12,716	68%

- Cash and Available Funding Lines increased by US\$12.1 million to US\$25.5 million, an increase of 90.3% since 31 March 2017
- February 2017 - Callaghan Innovation funding agreement for up to NZ\$5.0 million (GST exclusive) per annum for eligible R&D expenditure, over a 36 month period. The interim financials include US\$0.8 million of growth grant revenue
- July 2017 - Private Placement US\$24.6 million proceeds net of costs
- Pushpay will begin providing quarterly revenue targets when it releases its quarterly operational update for the 31 March 2018 quarter on 11 April 2018. From the 30 June 2018 quarter and onwards, Pushpay will release its quarterly operational updates on the first Wednesday of the second month following quarter end



Opportunity

Weston Belkot | Director of Learning and Development and Palmer Bandy | Care Specialist

Track record of success



☒ 31 December 2014 targets achieved

☒ 31 March 2015 target exceeded

☒ 30 September 2015 target exceeded

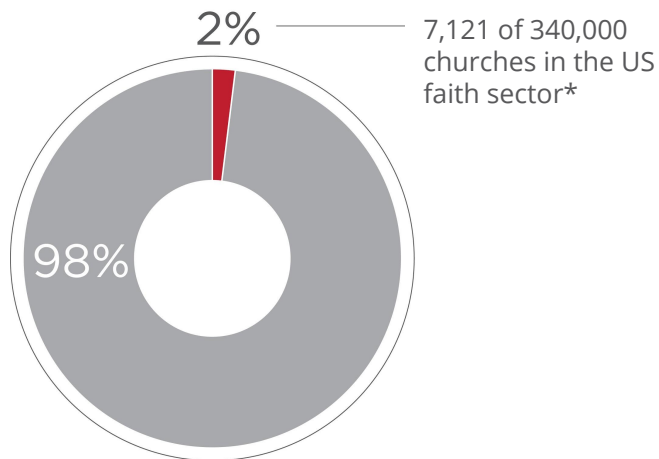
☒ 31 March 2016 target exceeded

☒ In a position to reach at least US\$70m in FY18 NZ GAAP revenue

☒ In a position to reach US\$100m ACMR by 31 December 2017

☒ In a position to reach breakeven on a monthly cash flow basis by the end of calendar 2018

Pushpay's estimated market share



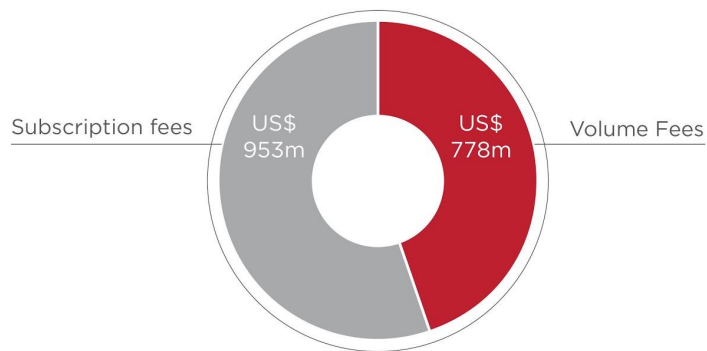
Strategic initiatives:

- Moving up-market, focusing more on medium and large-sized Customers through field sales
- Accelerate new products such as Apps, Analytics and Events
- Intention for a US-listing within 15 months

US faith sector revenue opportunity

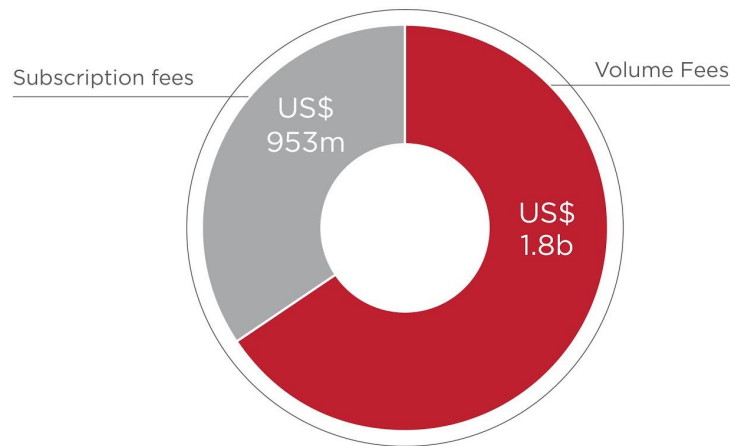


2016



Total US faith sector revenue opportunity of US\$1.7b

2021



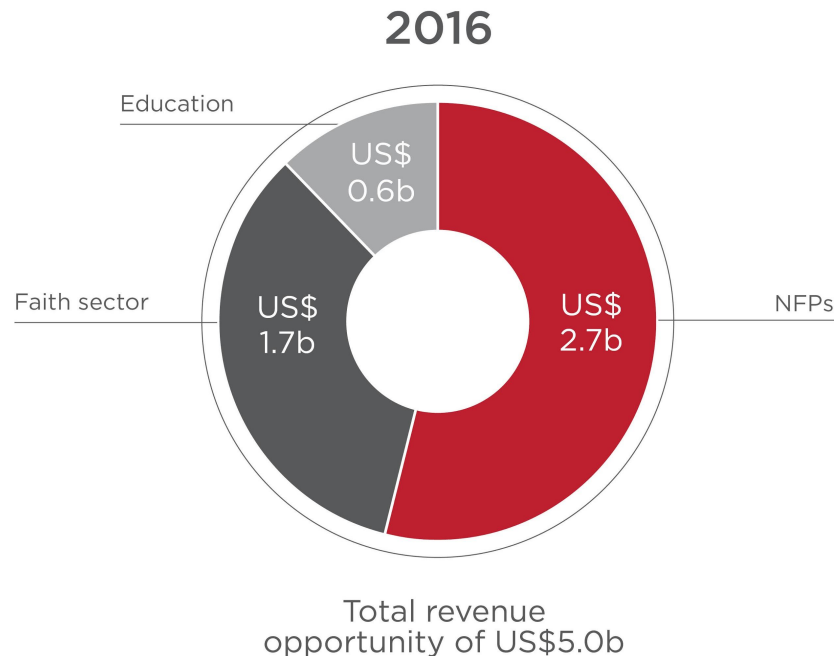
Total US faith sector revenue opportunity of US\$2.8b

Total Addressable Market (TAM) grows from US\$1.7b in 2016 to US\$2.8b in 2021.*

Adjacent opportunities



- >340,000 churches in the US*
Pushpay is leading market acquisition with 2% estimated share with long term duration growth
- Over 98,000 public schools and over 33,000 private schools in the US**
- 1.6 million Not-For-Profit (NFP) Organisations in the US - schools included***
- While Pushpay will look to pursue adjacent opportunities in the future, the near term focus will be on increasing its market share in the US faith sector



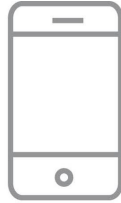
* Hartford Institute (2010). Religious Congregations Membership Study

** National Center for Education Statistics (2017). Fast Facts

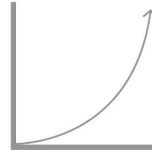
*** NCCS (2016). Quick Facts About Nonprofits. Note: this includes the over 98,000 public schools and over 33,000 private schools in the US

Note: Please refer to the Appendix for relevant workings and sources

Outlook



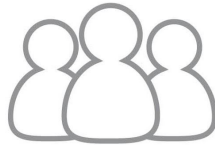
100% cloud-based solution



Impressive growth



Market leader in a large and expanding TAM



World-class team



Gaining efficiencies



On track to meet targets



Questions

Amy Cheek | Program Manager

Key metric definitions



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 through the Pushpay payment platform, excluding weeks falling in December given this is a seasonal high period.

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. The in-month average Volume Fee per Customer is used for the Volume Fee component of ARPC.

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. Pushpay views Customers with 0-199 average weekly attendees as small, 200-1,099 average weekly attendees as medium and 1,100 or more average weekly attendees as large.

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 as ARPC multiplied by 12, multiplied by the gross profit percentage, multiplied by the average Customer lifetime (the average Customer lifetime is 1 divided by churn, being one minus the Annual Revenue Retention Rate). Total LTV is calculated as LTV multiplied by total Customers.

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).

Relevant workings and sources



Churches TAM Growing from 2016 to 2021: US\$122.94 billion was given to religious organisations in the USA in 2016. 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\$1.7 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\$2.8 billion in 2021. Pushpay has calculated these revenue opportunity figures 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).

Sources:

- *Giving USA (2017). The Annual Report on Philanthropy for the year 2016*
- *Hartford Institute (2010). Religious Congregations Membership Study and other demographic data*

Schools TAM: There were over 33,000 private schools in the USA in 2016. Assuming software fees and 30% of tuition payments are coming through digital (commensurate with our experience in the faith market), Pushpay estimates the revenue opportunity in the USA school sector (i.e. in terms of transaction and subscription fees which could be earned from digital payments) to be US\$0.6 billion on the basis of assumed tuition fees (which Pushpay has estimated using publicly available information).

Sources:

- *National Center for Education Statistics (2017). Fast Facts*
- *National Catholic Education Association (2017). Catholic School Data*

NFPs TAM: US\$267.1 billion was given to NFPs in the USA in 2016, this number does not include giving to religious organizations. Using that figure and assuming 30% of NFP giving is made through digital contributions, Pushpay assesses the potential digital payment revenue opportunity in the USA NFP sector (i.e. in terms of transaction and subscription fees which could be earned from digital payments) to be US\$2.7 billion. Both volume and subscription fees for NFPs are based on NFPs with US\$500,000 in giving or more.

Sources:

- *Urban Institute (2015). The Nonprofit Sector in Brief 2015: Public Charities, Giving and Volunteering*
- *Giving USA (2017). The Annual Report on Philanthropy for the year 2016*

All of the above TAMs have been calculated on the basis of Pushpay's current subscription and transaction fee pricing.