

Pushpay surpasses US\$100m ACMR target by US\$6.4m, US market listing this calendar year

Auckland, New Zealand | Redmond, Washington, USA – 10 January 2018

Pushpay Holdings Limited (NZSX:PPH, ASX:PPH, 'Pushpay' or 'the Company') is pleased to announce that it has surpassed its 31 December 2017 target of US\$100 million Annualised Committed Monthly Revenue (ACMR) by US\$6.4 million, achieving US\$106.4 million of ACMR as at 31 December 2017.

Chris Heaslip, Pushpay's CEO and Co-founder said, "Surpassing US\$100 million ACMR within 27 months after reaching US\$10 million ACMR is a significant milestone for the business. Pushpay remains in a position to reach its targets of FY18 NZ GAAP revenue guidance of US\$70 million and breakeven on a monthly cash flow basis prior to the end of calendar 2018.

"Pushpay continues to build on its market leading position in a growing sector and has seen pleasing results in terms of the proportion of ACMR derived from large Customers. Over the year to 31 December 2017, Pushpay's proportion of ACMR derived from large Customers increased to 57.1%, from 51.0% a year earlier. We continue to focus on scaling the business in the US faith sector in order to maximise shareholder value over the long term."

Key metrics ⁱ	Quarter ended 31 Dec 2017	Quarter ended 31 Dec 2016	% Change
<i>Annualised Committed Monthly Revenue (ACMR)</i>	US\$106.4m	US\$57.9m	83.8%
<i>Increase in ACMR over the year</i>	US\$48.5m	US\$38.9m	24.7%
<i>Average Revenue Per Customer (ARPC)</i>	US\$1,233 per month	US\$785 per month	57.1%
<i>Total Customers</i>	7,190	6,143	17.0%
<i>Months to Recover Customer Acquisition Cost (CAC)</i>	<12 months	<12 months	✓
<i>Annual Revenue Retention Rate</i>	>95%	>95%	✓
<i>Staff Headcount</i>	345	341	1.2%
<i>Cash and Available Funding Lines</i>	US\$20.2m	US\$19.6m	3.1%

Highlights for the quarter ended 31 December 2017

- ACMR increased to US\$106.4 million, an increase of 83.8% over the year to 31 December 2017. See more under '*Annualised Committed Monthly Revenue (ACMR)*'.
- ARPC increased to US\$1,233 per month, an increase of 57.1% over the year to 31 December 2017. See more under '*Average Revenue Per Customer (ARPC)*'.
- Pushpay increased its Customer base to 7,190, an increase of 17.0% over the year to 31 December 2017. As at 31 December 2017, 12 of the top 20 and 50 of the top 100 largest churches in the US have chosen to use Pushpay.ⁱⁱ See more under '*Pushpay's Customer numbers*'.
- Months to Recover CAC remained at less than 12 months. Pushpay now expects its Months to Recover CAC to remain below 18 months as the business scales. See more under '*Efficiency metrics*'.
- Annual Revenue Retention Rate (excluding upsells into the existing Customer base) continued to exceed 95%, which the Company believes places it among the best-in-class for SaaS companies.

Pushpay now expects its Annual Revenue Retention Rate to remain above 100% as the business scales. See more under *'Efficiency metrics'*.

- Staff headcountⁱⁱⁱ increased to 345, an increase of 1.2% over the year to 31 December 2017. Pushpay now has 86 staff based in New Zealand and 259 staff based in the US.
- Pushpay released Web Giving, a redesigned generosity experience which operates seamlessly across smartphones, tablets and desktop computers. See more under *'Web Giving'*.
- Pushpay intends to pursue a US market listing this calendar year. See more under *'US market listing'*.
- 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 each quarter end. See more under *'Revenue guidance'* and *'Investor calendar'*.

Annualised Committed Monthly Revenue (ACMR)

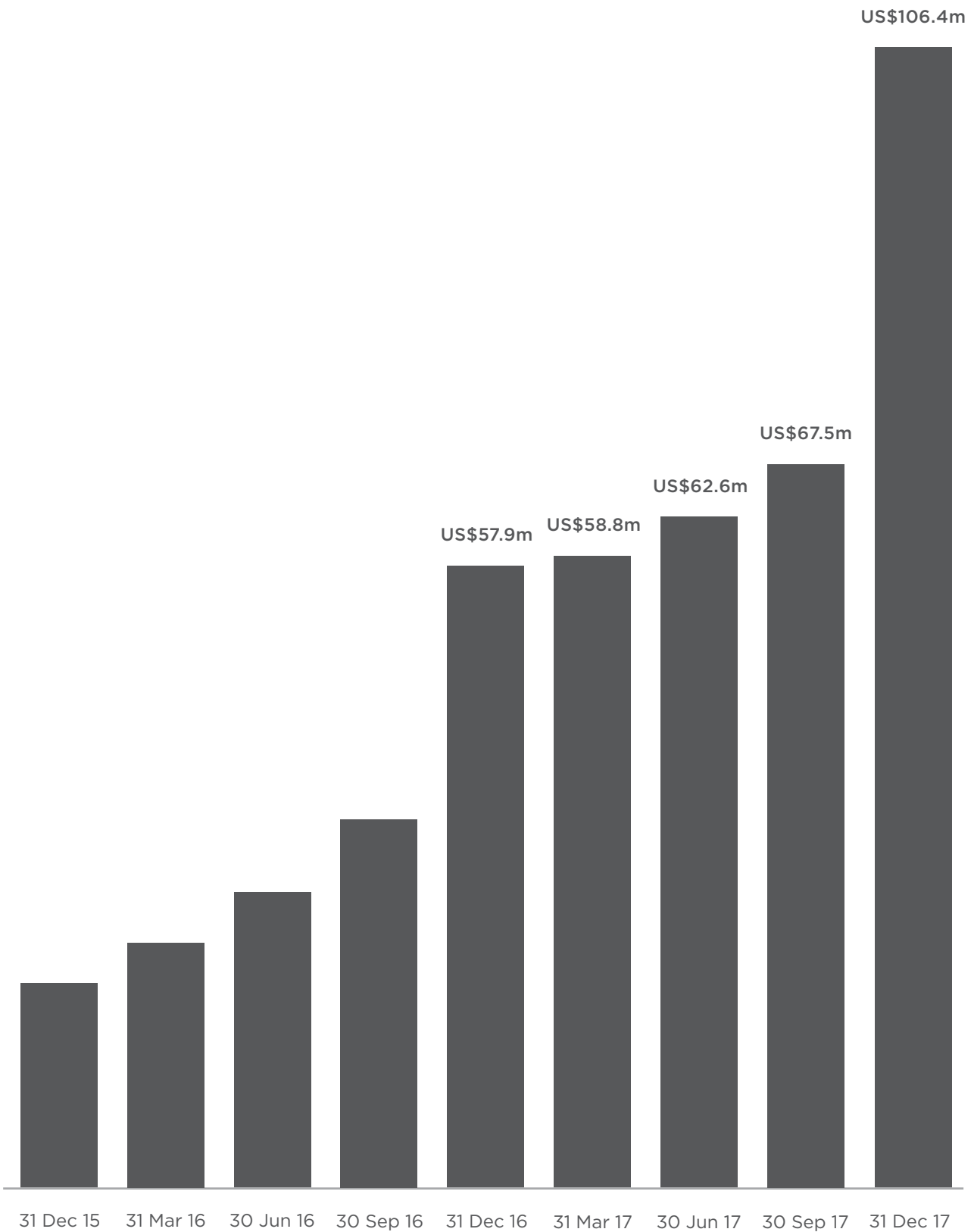
The Company increased its ACMR to US\$106.4 million, an increase of 83.8% over the year to 31 December 2017. Pushpay surpassed its 31 December 2017, US\$100 million ACMR target by US\$6.4 million.

Pushpay has seen pleasing results in terms of the proportion of ACMR derived from large Customers, which it expects to continue to increase as it further implements its sales strategy. Over the year to 31 December 2017, Pushpay's proportion of ACMR derived from large Customers increased to 57.1%, from 51.0% a year earlier.

Given seasonality, we expect ACMR to decrease over the current quarter ending 31 March 2018, before steadily growing over the rest of the calendar year to 31 December 2018. Pushpay expects to grow its ACMR based on further development of its product, direct sales, referrals strategy and through targeting customers that have existing relationships with Pushpay's strategic channel partners and other distribution partners.

Pushpay's ACMR growth

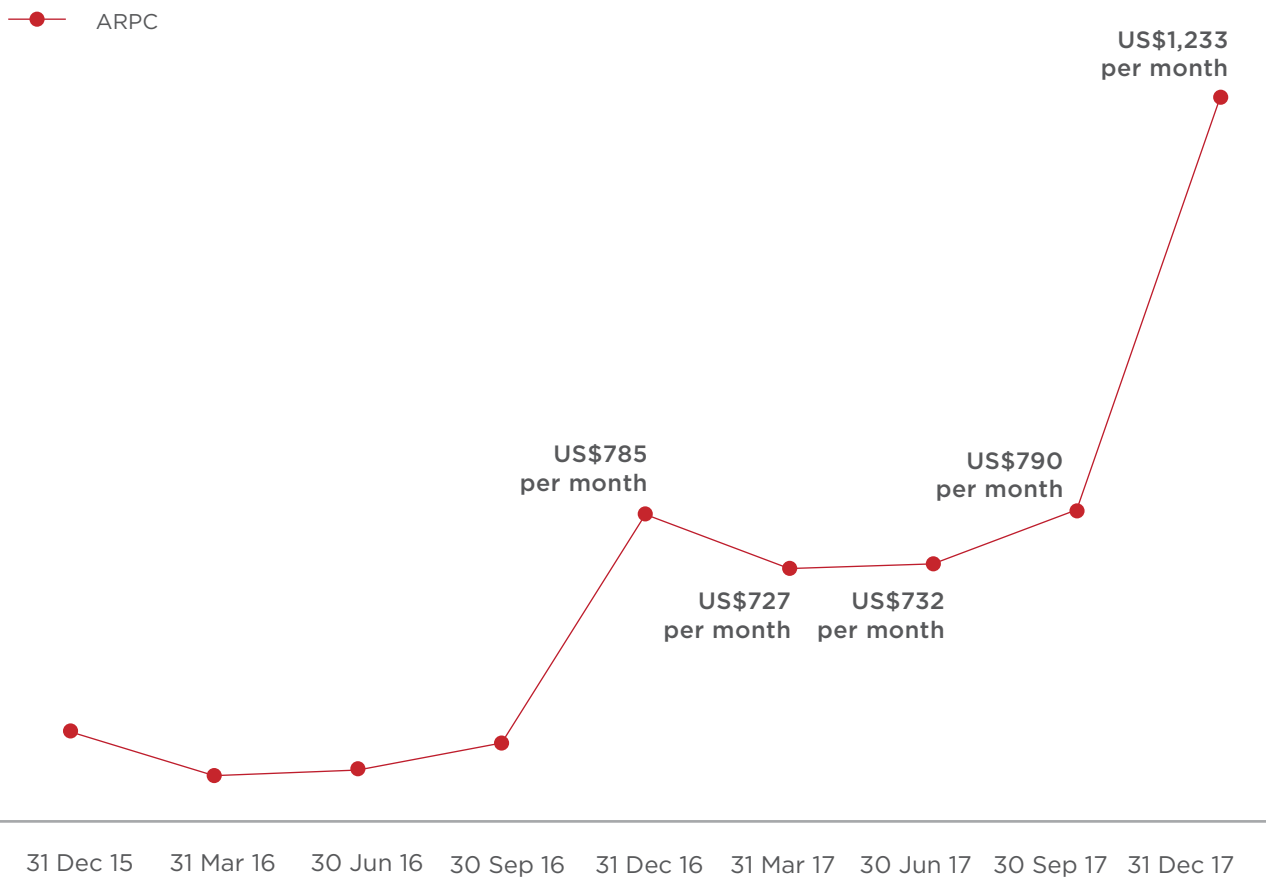
■ ACMR



Average Revenue Per Customer (ARPC)

ARPC increased to US\$1,233 per month, an increase of 57.1% over the year to 31 December 2017. Given seasonality, we expect ARPC to decrease over the current quarter ending 31 March 2018, before steadily growing over the rest of the calendar year to 31 December 2018. As Pushpay continues to implement its sales strategy, we expect the number of new medium and large Customers to increase and ARPC to increase over the rest of the calendar year.

Pushpay's ARPC



Pushpay's Customer numbers

Pushpay increased its Customer base to 7,190 total Customers, an increase of 17.0% over the year to 31 December 2017. We expect unit churn to decrease and Customer numbers to gradually strengthen over the calendar year.

When considering sales in terms of Subscription Fees added from new Customers and average Subscription Fee added per Customer, the quarter ended 31 December 2017 was our most successful quarter this financial year. In addition, December 2017 was our most successful month this financial year in terms of Subscription Fees added from new Customers.

Pushpay has seen pleasing results in terms of the proportion of medium and large Customers, which it expects to continue to increase as it further implements its sales strategy. Over the year to 31 December 2017, Pushpay's proportion of medium and large Customers increased to 49.4% of the total number of Customers, from 45.1% a year earlier.

As at 31 December 2017, 12 of the top 20 and 50 of the top 100 largest churches in the US have chosen to use Pushpay. The confidence and support of large Customers such as these demonstrate that Pushpay's engagement and payment solutions are well-understood and valued by our main target market, the US faith sector. We expect to continue to increase the number of top 100 largest church Customers in the US as we scale the business.

As at 31 December 2017, 97% of Pushpay's Customers were located in North America, which covers the US and Canada with the remaining 3% located in Australasia which covers New Zealand and Australia. As shown by the map below, Pushpay has Customers across the US and Canada.

Location of Pushpay's Customers in North America^{iv}



Efficiency metrics

Since listing on the NZX in August 2014, Pushpay has maintained an Annual Revenue Retention Rate (excluding upsells into the existing Customer base) of over 95% and Months to Recover CAC of below 12 months, which the Company believes places it among the best-in-class for SaaS companies.

Pushpay currently reports against an Annual Revenue Retention Rate (excluding upsells into the existing Customer base) of over 95%. Pushpay has developed a cohort analysis, which shows that revenue from existing Customers continues to increase year over year.

Moving forward, Pushpay is aiming to maintain and will report against an Annual Revenue Retention Rate (excluding upsells into the existing Customer base) of over 100%.

As at 31 December 2017, Months to Recover CAC continued to remain below 12 months. Over the quarter ended 31 December 2017, 74% of new Customers chose to enter into an initial three-year term contract. Given Customer revenue increases over time and Customers choose to enter into longer term contracts, Pushpay has decided to invest additional resources in sales and marketing to accelerate customer acquisition.

Moving forward, Pushpay is aiming to maintain and will report against Months to Recover CAC of below 18 months.

Web Giving

During the quarter, Pushpay released Web Giving, a redesigned generosity experience, which operates seamlessly across smartphones, tablets and desktop computers. Industry research^y shows that users are more generous when a payment experience is connected to the identity of the organisation they are supporting. Leveraging this insight and combining it with our own qualitative and quantitative data, including hundreds of user testing sessions, our new experience is designed to clearly reflect our Customers' brands. Customers using Web Giving, are seeing a 10% increase in giving from desktop users, when compared to our previous giving experience.

US market listing

On 16 November 2017, Pushpay announced its intention to pursue a US market listing within 15 months, by 16 February 2019. Pushpay now intends to complete a US market listing this calendar year, by 31 December 2018.

The Board believes that a market listing in the US will expand Pushpay's shareholder base, increase liquidity and enable the Company better access to capital, thereby increasing funding alternatives to support the Company's growth strategy. With 97% of Pushpay's Customers being based in North America along with 259 staff, Pushpay considers a market listing in the US to be a logical and important step in the Company's evolution in order to take advantage of growth opportunities, further strengthen the Company's market position and increase awareness of the Company and its products globally. Any market listing would be subject to satisfactory market timing, approval by a US exchange and satisfying a number of other customary listing prerequisites.

Pushpay has strong relationships with both the NZX and the ASX. Pushpay has no plans to delist from either exchange.

Should you have any questions regarding Pushpay's intended US market listing, please contact Sarah Elder, Head of Investor Relations at investors@pushpay.com.

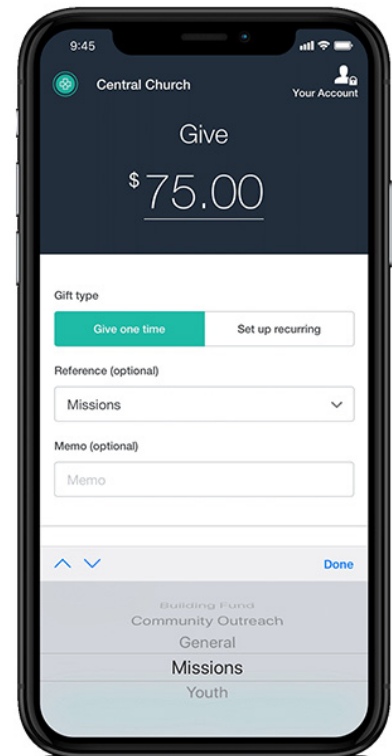
Revenue guidance

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 each quarter end. Please refer to the end of this announcement for upcoming investor dates.

Outlook

"Pushpay is confident in its strategy to gain further market share in the medium-term and believe this is the best way to maximise shareholder value. The Company will continue to implement its targeted account based and field sales strategy, focusing more heavily on medium and large Customers.

"Given seasonality, we expect ACMR and ARPC to decrease over the current quarter ending 31 March 2018, before steadily growing over the rest of the calendar year to 31 December 2018. We also expect Customer unit churn to decrease and Customer numbers to gradually strengthen over the calendar year.



“Pushpay remains in a position to reach its targets of FY18 NZ GAAP revenue guidance of US\$70 million and breakeven on a monthly cash flow basis prior to the end of calendar 2018.

“In the medium term, our goal is to reach the milestone of US\$10 billion in Annualised Monthly Payment Transaction Volume, representing less than 10% of annual giving to religious organisations in the US. In the long term, Pushpay is targeting over 50% of the medium and large church segments, an opportunity representing over US\$1 billion in annual GAAP revenue,” said Chris Heaslip.

Investor Briefing

Pushpay will hold an Investor Briefing today at 11:00 am (NZT) to discuss its operational results for the quarter ended 31 December 2017.

Dial-in details

New Zealand: 0800 122 360

All countries: +64 9 950 5335

Conference ID (required for dial-in): 555079

Playback details

Replay of the Quarterly Investor Briefing will be available for 30 days following the completion of the call.

New Zealand: 0800 122 135

All countries: +64 9 950 7088

Replay Pin: 1678#

i Pushpay's key metrics are defined as follows:

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.

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.

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).

ii Outreach Magazine (2017). Outreach 100 Annual Report

iii Staff Headcount breakdown by department as at 31 December 2017:

<i>Department</i>	<i>Staff Headcount</i>
Enterprise	8
General & Administration	32
Product	82
Operations	35
Sales	106
Marketing & Partnerships	22
Customer success	60
Total	345

iv Includes locations in North America of Customers which have been added to the Pushpay platform as at 31 December 2017.

v Network For Good (2013). The Digital Giving Index

Investor Calendar

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 each quarter end.

The following dates are indicative only and (subject to the NZX Listing Rules and applicable laws) are subject to change at Pushpay's discretion.

11 April 2018	Quarterly Operational Update for the quarter ended 31 March 2018
17 May 2018	Annual Report and financial results release
17 July 2018	Annual Shareholders' Meeting
1 August 2018	Quarterly Operational Update for the quarter ended 30 June 2018

Contact

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About Pushpay

Pushpay provides engagement solutions that enable meaningful connections and mobile commerce tools that facilitate fast, secure and easy non point of sale payments. Pushpay provides convenient, personalised and intuitive engagement and payment solutions to the faith sector, not-for-profit organisations and education providers.

Pushpay receives funding from Callaghan Innovation to help cover the commercialisation of innovation.

Pushpay is an award-winning company, team and product. For more information visit www.pushpay.com/investors/awards.

To download the Pushpay App, visit the iTunes App Store or Google Play and search for "Pushpay".

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