



# 2018

## Annual results



# 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](http://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
- may contain information from third parties believed to be reliable; however, no representations or warranties are made as to the accuracy or completeness of such information.

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. Innovative and evolving product
3. Talented and driven team
4. Financial update
5. Outlook
6. Questions

# Chief Executive update



# A strong foundation of growth

## Total Customers

7,276 up from 6,737, an increase of 8.0% over the year to 31 March 2018

## ACMR

\$86.4 million up from \$58.8 million, an increase of 46.9% over the year to 31 March 2018

## Months to Recover CAC

<18 months remaining stable over the year to 31 March 2018

## Staff Headcount

350 down from 376, a decrease of 6.9% over the year to 31 March 2018

## ARPC

\$989 per month up from \$727 per month, an increase of 36.0% over the year to 31 March 2018

## Total LTV of Customer base

\$1.9 billion up from \$1.3 billion, an increase of 44.6% over the year to 31 March 2018

## Annual Revenue Retention Rate

>100% remaining stable over the year to 31 March 2018

## Cash and Available Funding Lines

\$17.9 million up from \$13.4 million, an increase of 33.6% over the year to 31 March 2018

# 12.3 million

*transactions processed over the year*

# US\$192

*average transaction value over the year*

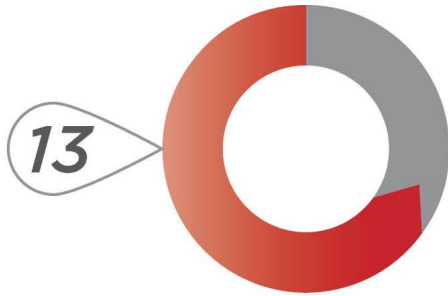
# 19 countries

*with supported payments*

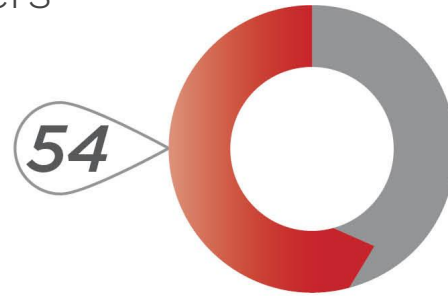


# Customers

7,276  
total customers

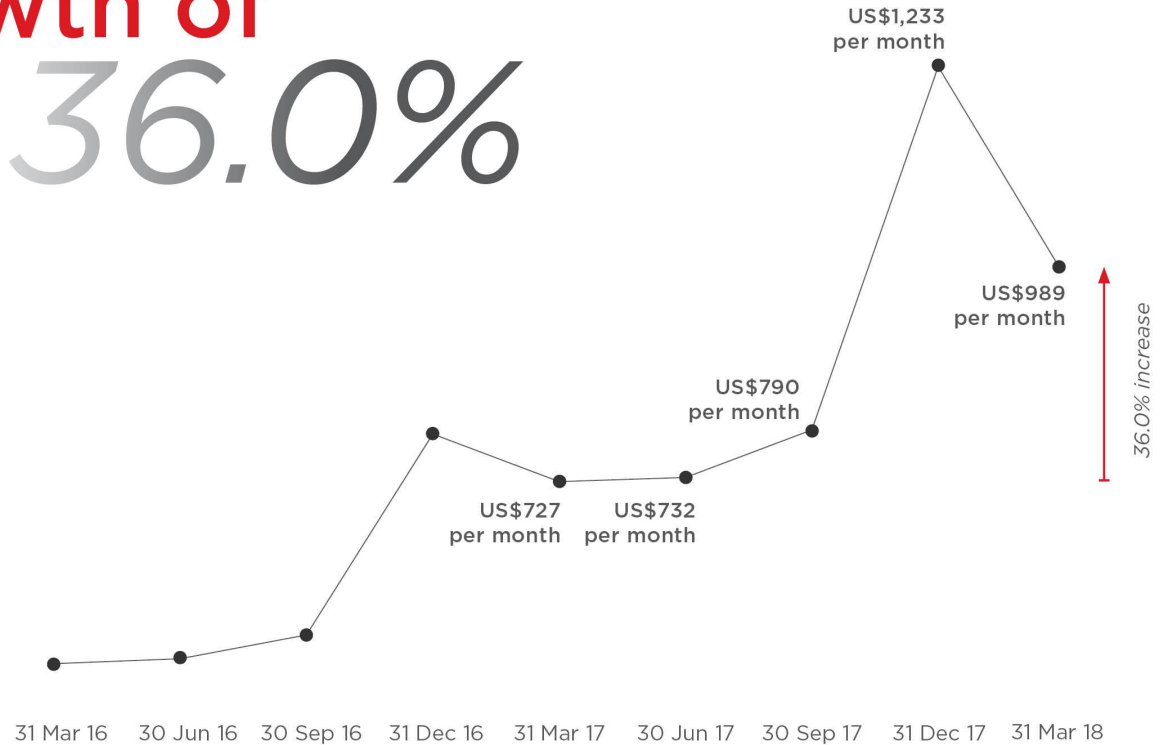


*top 20 largest  
churches in the US*



*top 100 largest  
churches in the US*

# ARPC growth of 36.0%





Pushpay is uniquely positioned to continue to drive social good and succeed in the next chapter of our growth journey.



# Track record of success

31 December 2014 targets achieved

31 March 2015 target exceeded

30 September 2015 target exceeded

31 March 2016 target exceeded

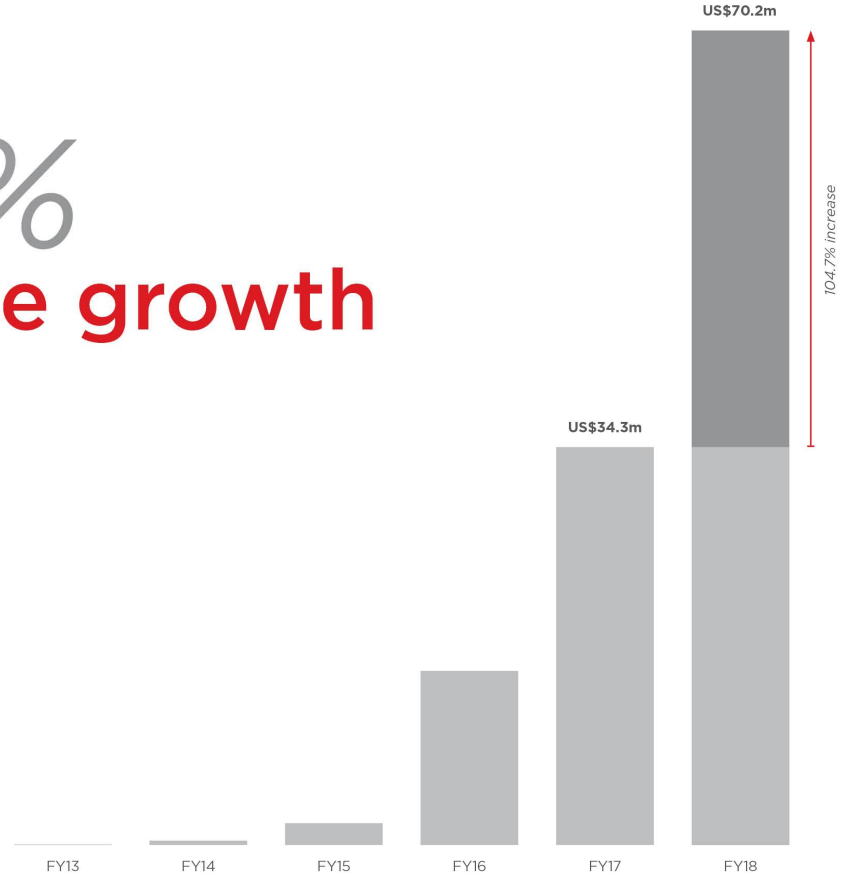
31 December 2017 target exceeded

31 March 2018 target achieved

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

# 104.7%

**total revenue growth**



# Board changes



Dan Steinman



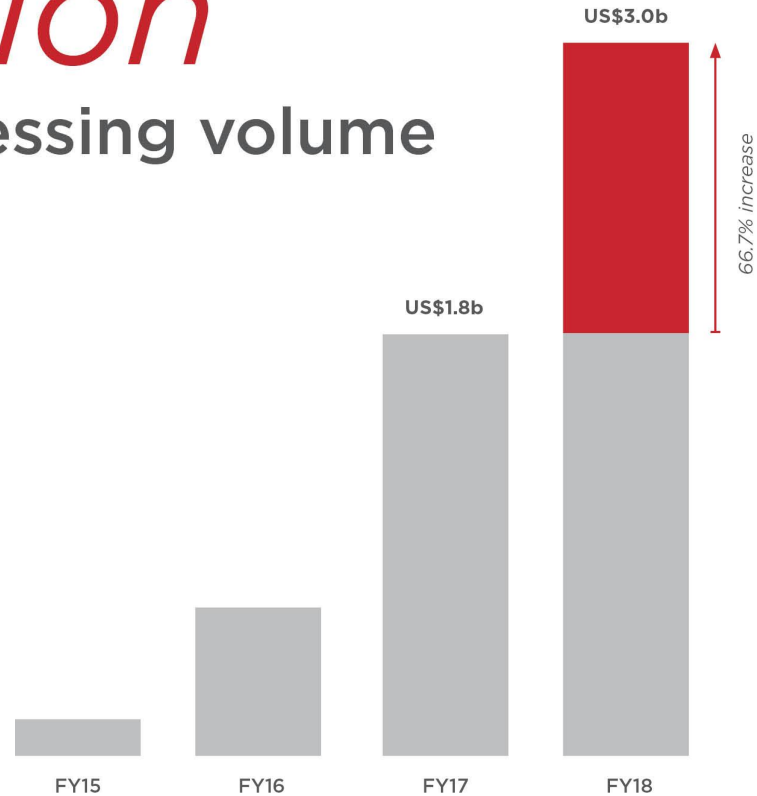
Doug Kemsley



On 10 January 2018, Pushpay announced its intention to complete a US market listing this calendar year.

# *US\$3.0 billion*

## Annualised processing volume



# Innovative and evolving product



# Product



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

Feb 2018  
Offline Conversion released

May 2018  
Dynamic Home Screen released

Sep 2014  
ZipZap Processing Inc commenced operations

Jun 2015  
echurch Apps released

Mar 2016  
Event registration released

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

Dec 2017  
Web Giving released  
Payment Assurance released

Nov 2012  
Android App released

android

Nov 2014  
AMEX, Discover, NZ bank payments and ACH payments accepted



Dec 2015  
3D Touch capability released



Dec 2016  
Annual Giving Statements released



Aug 2017  
Amazon Web Services (AWS) migration



A talented  
and driven  
team





# Pushpay team



350 staff across Redmond, WA,  
USA and Auckland, New Zealand  
as at 31 March 2018



Pushpay welcomed Chief  
Marketing Officer to the Pushpay  
Executive team

#1

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

# Industry recognition



# Finance update



# Income Statement

	<i>Year ended 31 March 2018 US\$000</i>	<i>Year ended 31 March 2017 US\$000</i>	<i>Movement US\$000</i>	<i>Change</i>
Total revenue	70,190	34,271	35,919	105%
Total expenses	(92,854)	(59,279)	(33,575)	57%
Net loss before tax	(22,664)	(25,008)	2,344	-9%
Total comprehensive loss for the year	(23,397)	(25,216)	1,819	-7%

# Business results and gross profit

	<i>Year ended 31 March 2018 US\$000</i>	<i>Year ended 31 March 2017 US\$000</i>	<i>Movement US\$000</i>	<i>Change</i>
Subscription revenue	19,749	10,789	8,960	83%
Processing revenue	47,948	23,167	24,781	107%
<b>Total operating revenue</b>	<b>67,697</b>	<b>33,956</b>	<b>33,741</b>	<b>99%</b>
Third party direct costs	30,232	14,869	15,363	103%
<b>Gross profit</b>	<b>37,465</b>	<b>19,087</b>	<b>18,378</b>	<b>96%</b>
<i>Percentage of operating revenue</i>	55%	56%		-1pp

# Operating expenses (ex third party direct)

	<i>Year ended 31 March 2018</i>	<i>Year ended 31 March 2017</i>	<i>Movement</i>	<i>Change</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	
Product design and development	(15,200)	(8,604)	(6,596)	77%
Sales and marketing	(29,056)	(22,024)	(7,032)	32%
Customer success	(6,237)	(4,123)	(2,114)	51%
General and administration	(12,137)	(9,598)	(2,539)	26%
<b>Total operating expenses</b>	<b>(62,630)</b>	<b>(44,349)</b>	<b>(18,281)</b>	<b>41%</b>
<i>Percentage of operating revenue</i>	93%	131%		38pp

# Statement of Cash Flows

	<i>Year ended 31 March 2018 US\$000</i>	<i>Year ended 31 March 2017 US\$000</i>	<i>Movement US\$000</i>	<i>Change</i>
Receipts from customers	38,781	20,572	18,209	89%
Other operating activities	(55,917)	(39,166)	(16,751)	43%
<b>Net cash flows from operating activities</b>	<b>(17,136)</b>	<b>(18,594)</b>	<b>1,458</b>	<b>-8%</b>
Net cash flows from investing activities	(2,532)	(5,577)	3,045	-55%
Net cash flows from financing activities	24,599	29,510	(4,911)	-17%
<b>Net increase in cash and cash equivalents</b>	<b>4,931</b>	<b>5,339</b>	<b>(408)</b>	<b>-8%</b>
<b>Cash &amp; cash equivalents at end of the year</b>	<b>17,886</b>	<b>13,406</b>	<b>4,480</b>	<b>33%</b>

# Statement of Financial Position

	<i>As at 31</i> <i>March 2018</i> <i>US\$000</i>	<i>As at 31</i> <i>March 2017</i> <i>US\$000</i>	<i>Movement</i> <i>US\$000</i>	<i>Change</i>
Cash and cash equivalents	17,886	13,406	4,480	33%
Other assets	16,754	16,696	58	0%
Unearned revenue	(6,946)	(5,621)	(1,325)	24%
Other current liabilities	(6,006)	(5,676)	(330)	6%
Net assets/total equity	21,688	18,805	2,883	15%



# Capital

- Pushpay completed a US\$25 million private placement in July 2017
- The bookbuild was conducted by Deutsche Craigs Limited and Ord Minnett as joint lead managers and underwriters
- The bookbuild attracted bids from over 15 institutional investors across New Zealand and Australia
- Pushpay was added to the S&P/NZX 50 Index, S&P/NZX 50 Portfolio Index and S&P/NZX MidCap Index and removed from the S&P/NZX SmallCap Index effective at market open on 18 December 2017

The capital raised has positioned Pushpay well for our next phase of sustained growth.

# Outlook



A group of people, mostly women, are sitting together in a row, possibly in a classroom or meeting. They are all looking down at their mobile devices. The woman on the far left is wearing a red top and holding a white tablet. The woman next to her is wearing a blue top and holding a smartphone. The woman in the middle is wearing a tan blazer and holding a tablet. The woman on the right is wearing a dark top and holding a smartphone. In the foreground, a laptop is open on a person's lap. The overall atmosphere is one of focused learning or work.

# Questions



# Appendix

# Staff headcount

Department	31-Mar-18
Business development	2
General & Administration	33
Product	89
Operations	32
Sales	111
Marketing	27
Customer success	56
Total	350

# 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 Processing Volume** – is the annualised four week average payment transaction volume through the Pushpay payment platform.

**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 by taking the 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). A 97.5% Annual Revenue Retention Rate is used for the purposes of the calculation. 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).