

Pushpay 2019 Annual Results Announcement

Auckland, New Zealand | Redmond, Washington, USA – 8 May 2019 (NZT)

Pushpay Holdings Limited (NZSX:PPH, ASX:PPH) ('Pushpay' or 'the Company') is pleased to present its financial results for the year ended 31 March 2019 and its 2019 Annual Report. This announcement should be read in conjunction with and is subject to, Pushpay's Annual Report.

Chris Heaslip, CEO and Co-founder said, "We are pleased with the performance of the business over the year ended 31 March 2019. Pushpay continued to experience strong revenue growth, expanding operating margins, delivered its first positive EBITDAF result and achieved breakeven on a monthly cash flow basis prior to the end of the calendar year.

"We continue to focus on future-proofing the business, by refining the strategies that will allow the Company to realise its considerable potential over the long term, while maintaining prudent financial discipline. As we embark on the next chapter, our relentless focus on innovation, strategy and execution will lead to continued strong growth for the business."

Strong revenue growth

Pushpay has a strong track record of delivering on guidance. Since initially listing in August 2014, Pushpay is pleased to have met or exceeded all guidance provided to the market.

Most recently, Pushpay delivered on its total revenue guidance for the year ended 31 March 2019, increasing total revenue by US\$28.2 million from US\$70.2 million to US\$98.4 million, an increase of 40%.

These results were attained through the targeted implementation of our strategy, growing team capabilities and expertise, and responsible investment into product design and development.

The Company is providing annual operating revenue guidance for the year ending 31 March 2020 of between US\$122.5 million and US\$125.5 million. Pushpay expects to see consistent revenue growth as the business executes on its strategy, achieves increased efficiencies and gains further market share in the US faith sector.

Margin improvements

Pushpay delivered on its gross margin guidance for the year ended 31 March 2019, increasing gross margin from 55% to 60%.

Pushpay's diligent approach to optimising gross margin has driven pleasing results. We expect to continue to benefit from the margin improvement program over the coming year.

The Company is providing gross margin guidance for the year ending 31 March 2020 of over 63%.

Operating leverage

While Pushpay increased operating revenue by 42% over the year to 31 March 2019, total operating expenses remained stable. As a percentage of operating revenue, total operating expenses improved by 28 percentage points, from 93% to 65%. Pushpay expects significant operating leverage to accrue as operating revenue continues to increase, while growth in total operating expenses remains low.

Pushpay adopted best in class software tools and scalable processes early in its development. Combined with strong financial discipline, those investments will allow significant operating leverage to be achieved as revenue grows.

EBITDAF

Pushpay delivered on its EBITDAF guidance for the year ended 31 March 2019, increasing EBITDAF by US\$20.2 million from a loss of US\$18.6 million to a gain of US\$1.6 million, an increase of 108%.

Pushpay is providing EBITDAF guidance for the year ending 31 March 2020 of between US\$17.5 million and US\$19.5 million.

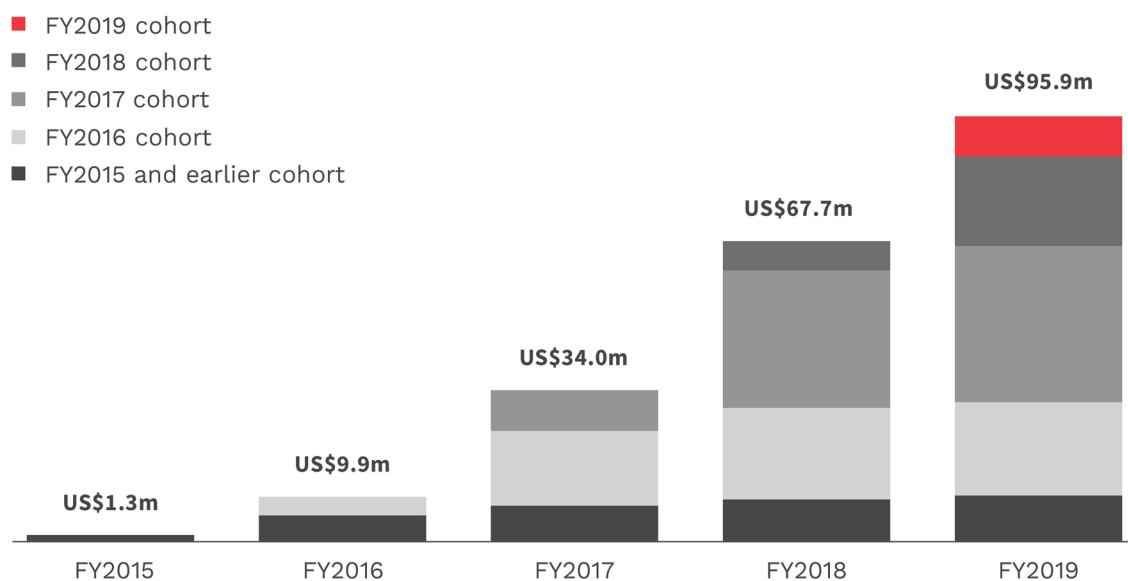
NPAT

NPAT improved by US\$42.1 million over the year ended 31 March 2019, from a net loss of US\$23.3 million to a net profit of US\$18.8 million, an improvement of 181%.

For the year ended 31 March 2019, the Company has recognised a deferred tax asset of US\$20.9 million having met the requirements of NZ IAS 12 Income Taxes.

Customer revenue cohort information

The chart below displays the annual revenue for Customer cohorts that joined the Pushpay platform at different times in our history. The strength of our business model lies in the consistent revenue coming from each cohort, particularly the increase in revenue from remaining Customers growing within a cohort offsets the decline in revenue from Customers leaving the platform.



(US\$)	FY2015	FY2016	FY2017	FY2018	FY2019	CAGR
FY2015 and earlier cohort	\$1.3M	\$5.7M	\$7.9M	\$9.3M	\$10.2M	67%
FY2016 cohort		\$4.2M	\$16.9M	\$20.7M	\$21.1M	71%
FY2017 cohort			\$9.2M	\$31.1M	\$35.3M	97%
FY2018 cohort				\$6.6M	\$20.2M	205%
FY2019 cohort					\$9.1M	N/A
Total	\$1.3M	\$9.9M	\$34.0M	\$67.7M	\$95.9M	N/A

Processing volume

Annualised Processing Volume increased by US\$1.2 billion over the year ended 31 March 2019 from US\$3.0 billion to US\$4.2 billion, an increase of 40%.

We expect continued growth in Annualised Processing Volume driven by a larger proportion of new medium and large Customers, further development of our product set resulting in higher adoption and usage, increased adoption of digital giving in the US faith sector and increased giving to religion in the US.

Pushpay is providing Total Processing Volume guidance for the year ending 31 March 2020 of between US\$4.6 billion and US\$4.8 billion.

People and culture

As we continue to execute on our strategy, attracting and retaining exceptional talent is critical to our success. Our Customer-centric culture of continuous improvement focuses on achieving higher job satisfaction, increased productivity, improved employee retention, as well as increased Customer satisfaction.



Michael Erisman | Chief People Officer

Pushpay welcomed Michael Erisman as Chief People Officer in March 2019. Michael is a highly experienced business leader with a proven track record of building successful human resources teams and developing global people strategies worldwide. His extensive experience, in guiding people-centred business initiatives and proven ability to attract, retain and engage top talent, will be instrumental for our growth plans.

Board of Directors

Eliot Crowther resigned as an Executive Director on 21 June 2018. The Board and management of Pushpay thank Eliot for his invaluable contribution to Pushpay.



Peter Huljich | Alternate Director

Pushpay's Board of Directors was pleased to welcome Peter Huljich as an Alternate Director for Christopher Huljich, effective 7 November 2018. Peter has held a number of executive positions in the Company, along with previously being an Alternate Director for Christopher Huljich. Peter brings extensive experience and knowledge to the business, having been involved with a number of high-growth technology businesses.

The Board is also actively searching for additional Directors and is considering suitably qualified candidates of diverse backgrounds and experience.

Outlook

Pushpay expects continued strong revenue growth, as we continue to execute on our strategy to gain further market share in the medium-term and believes this is the best way to maximise shareholder value.

From a strong financial position, we will continue to balance expanding operating margin with opportunities to increase revenue growth. We are particularly focused on ensuring efficiency remains high, while maintaining cost discipline throughout the business.

Pushpay is also evaluating potential strategic acquisitions that broaden the current proposition and add significant value to the current business.

Pushpay is providing the following guidance for the year ending 31 March 2020:

- operating revenue of between US\$122.5 million and US\$125.5 million;
- gross margin of above 63%;
- EBITDAF of between US\$17.5 million and US\$19.5 million; and
- total processing volume of between US\$4.6 billion and US\$4.8 billion.

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 revenue.

Acknowledgements

Pushpay's success would not be possible without the expert direction from the Board of Directors, successful execution from management and the hard work of our dedicated colleagues.

We would like to thank you, our shareholders, for your continued support and confidence, our teams in the US and New Zealand for their hard work and all of our Customers around the world for their continued loyalty and excitement, as these results are ultimately thanks to their support.

Pushpay is uniquely positioned to capitalise on future growth opportunities within the US faith sector. The investments we made over the year provide an excellent platform to execute on our strategy and deliver innovative solutions to our Customers. We look forward to reporting further progress during this exciting period.

Investor Briefing

Pushpay will hold an Investor Briefing today at 11:00 am (NZT) to discuss its financial results for the year ended 31 March 2019.

Dial-in details

New Zealand: 0800 122 360

All countries: +64 9 950 5335

Conference ID (required for dial-in): 124503

Playback details

Replay of the Annual Results 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: 9831#

Contact

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About Pushpay

Pushpay provides a donor management system, including donor tools, finance tools and a custom community app, to the faith sector, non-profit organisations and education providers in the US, Canada, Australia and New Zealand. Our leading solutions simplify engagement, payments and administration, enabling our Customers to increase participation and build stronger relationships with their communities.

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

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

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