



Annual Results 2020

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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. CEO update
2. Church Community Builder - expanding team and capability
3. People and culture
4. A leading cloud-first solution
5. Finance update
6. Outlook
7. Questions



CEO update

Strong growth, expanding operating margin

Total Revenue

US\$129.8 million, up from US\$98.4 million, an increase of 32%

Profit before tax

US\$21.7 million, up from a loss of US\$1.4 million, an increase of 1,631%

ARPC

US\$1,317 per month, up from US\$1,315 per month, no change

Months to Recover CAC

20.2 months, up from 12.7, an increase of 60%

Gross Profit Margin

65%, up from 60%, an increase of five percentage points

Cash and Cash Equivalents

US\$7.2 million, down from US\$13.9 million, a decrease of 48%

Total LTV of Customer base

US\$4.5 billion, up from US\$3.0 billion, an increase of 46%

Annual Revenue Retention Rate

>100%

EBITDAF

US\$25.1 million, up from US\$1.6 million, an increase of 1,506%

Total Customers

10,896 Customers, up from 7,649 Customers, an increase of 42%

Total Processing Volume

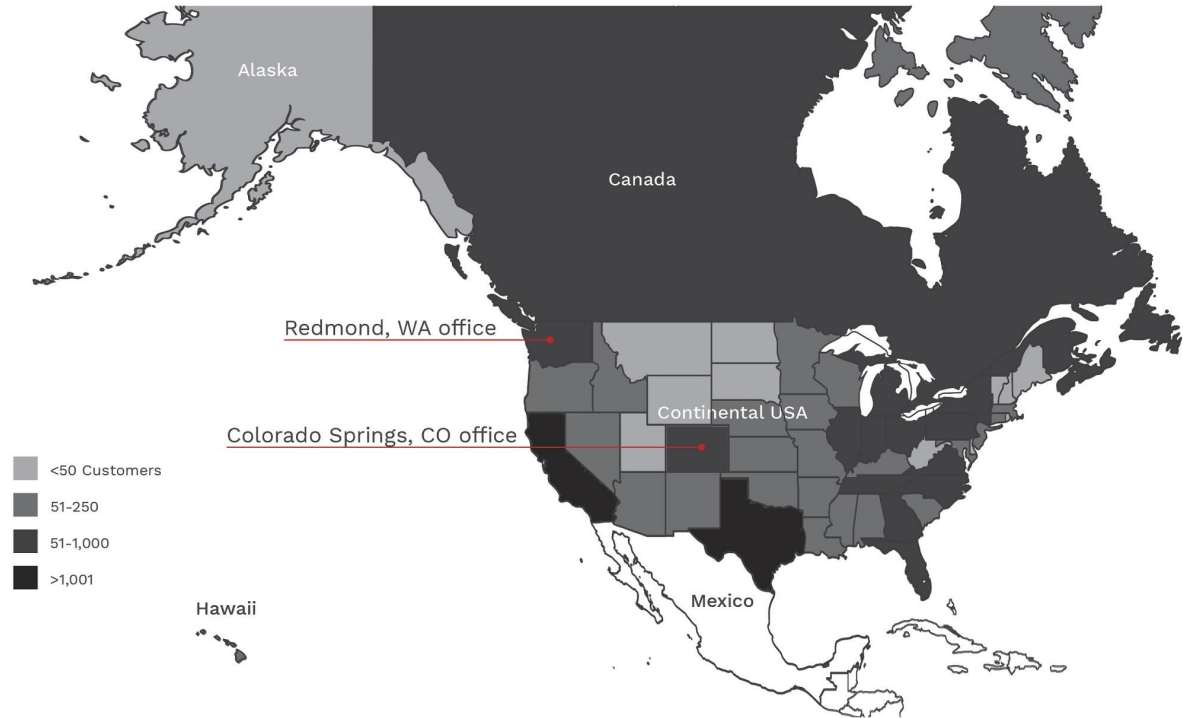
US\$5.0 billion, up from US\$3.6 billion, an increase of 39%

Staff Headcount

459 staff, up from 389 staff, an increase of 18%

Customers*

10,896
total Customers
as at 31 March 2020



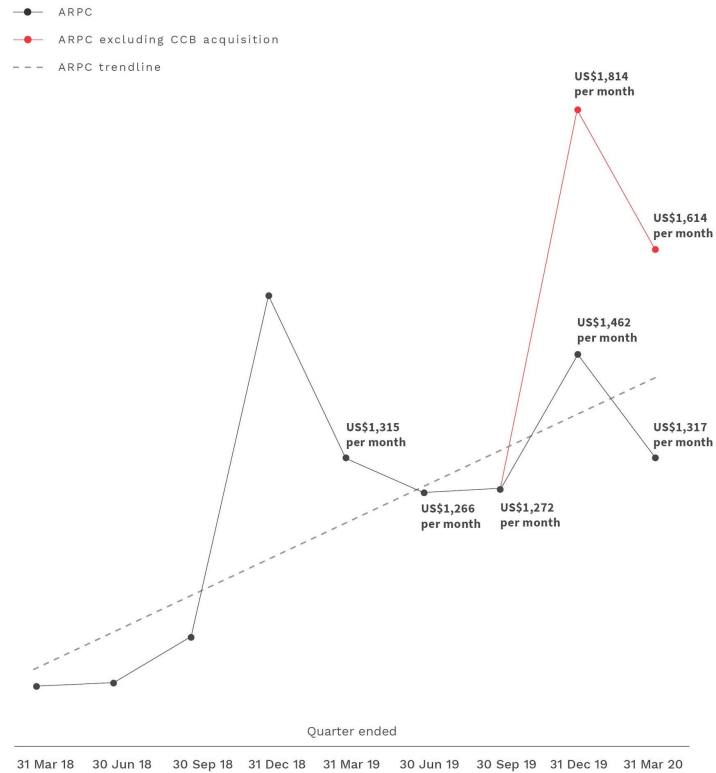
* Map includes locations in North America of Customers which have been added to the Pushpay platform as at 31 March 2020.



Food Ministry, The Way World Outreach
San Bernardino, California, US

Enabling social
good by driving
increased
community and
belonging is at the
heart of what
we do.

ARPC growth



25.9 million

transactions processed over the year

US\$195

average transaction value over the year

19 countries

with supported payments

“At Hosanna, we have a vision to grow with love, generosity and unity. Having access to data and insights about our congregation enables us to understand where people are on their journey and surfaces opportunities to connect with people in our community who might need it most.”

Jennifer Ford, Executive Director of Ministry Services
Hosanna Church

Track record of success



31 December 2014 targets achieved



30 June 2018 target achieved



31 March 2015 target exceeded



30 September 2018 target achieved



30 September 2015 target exceeded



Breakeven on a monthly cash flow basis by the end of calendar year 2018 achieved



31 March 2016 target exceeded



Total revenue, gross margin and positive EBITDAF guidance for the year ended 31 March 2019 achieved



31 December 2017 target exceeded

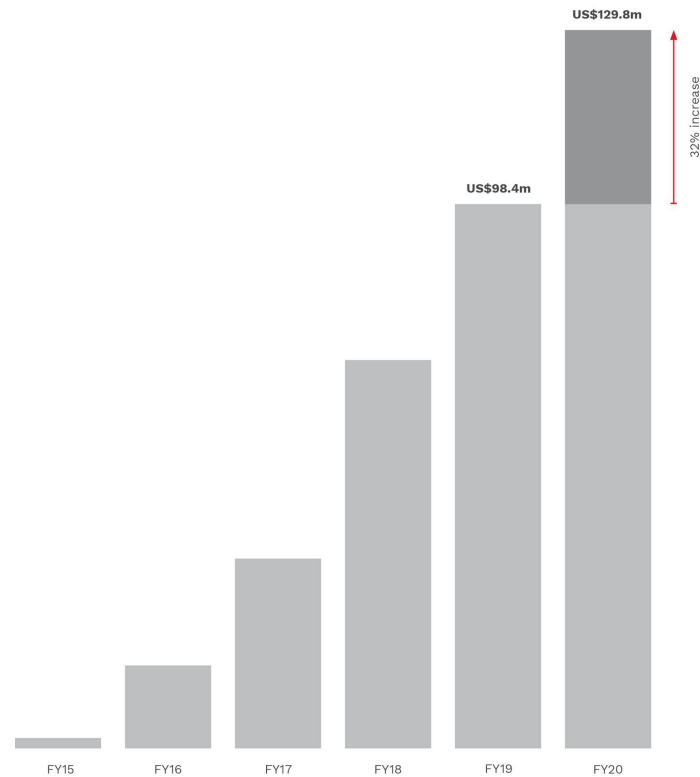


Operating revenue, gross margin, EBITDAF and Total Processing Volume for the year ended 31 March 2020 achieved



31 March 2018 target achieved

32%
total revenue growth



Operating revenue, NPAT and operating cash flow

Operating revenue

US\$127.5 million, up from US\$95.9 million, an increase of 33%

NPAT

US\$16.0 million, down from US\$18.8 million, a decrease of 15%*

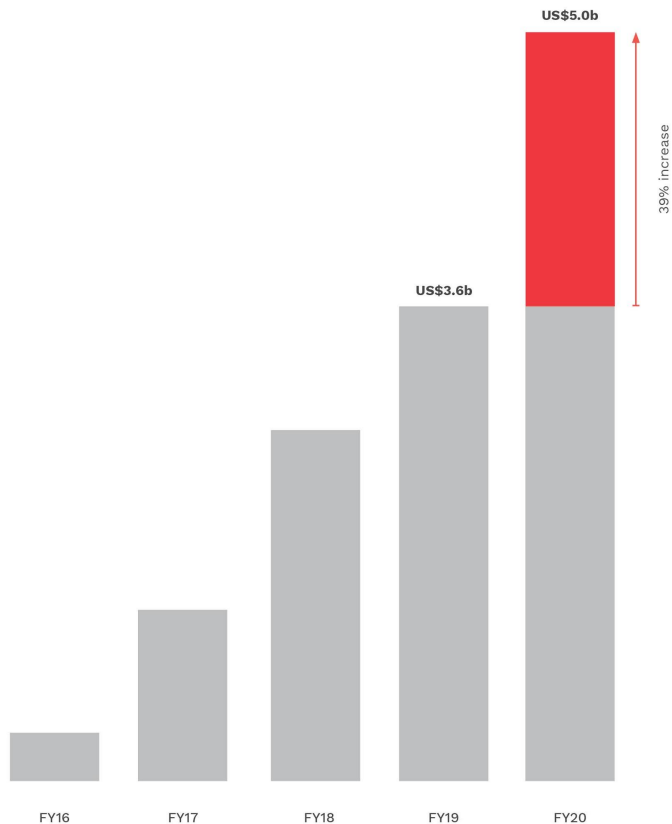
Operating cash flow

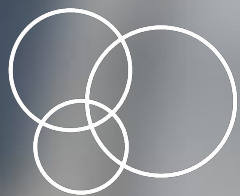
US\$23.5 million, up from negative US\$2.8 million, an increase of 953%

* The previous financial year included a one-time benefit arising from previously unrecognised tax losses and deferred research and development expenditure of US\$20.9 million, which contributed to the net gain of US\$18.8 million. Net profit before tax was US\$21.7 million, up from a loss of US\$1.4 million, an increase of 1,631%.

US\$5.0 billion

Total Processing Volume





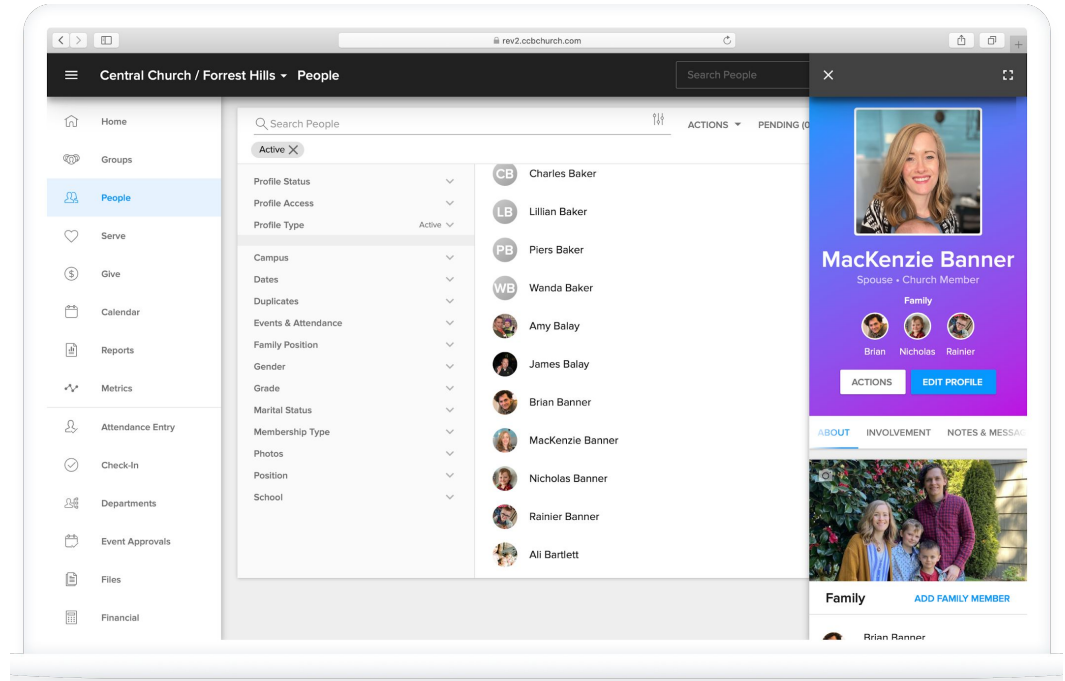
CHURCH
COMMUNITY
BUILDER

Expanding team
and capability



About Church Community Builder

- Founded in 1999
- Industry leader in ChMS software
- Located in Colorado Springs, Colorado, US
- Provides key data to the church on congregants' engagement
- Mission-minded



A young Black woman with a large, curly afro hairstyle is smiling broadly, looking upwards and to the right. She is wearing a light pink, long-sleeved, button-down cardigan. She holds a black smartphone in her right hand. The background is a soft-focus outdoor scene with green foliage and a building. The text "People and culture" is overlaid in white, sans-serif font on the left side of the image.

People and culture

Board of Directors and leadership



Justine Smyth
Independent Director



Chris Fowler
Visionary and Executive Director

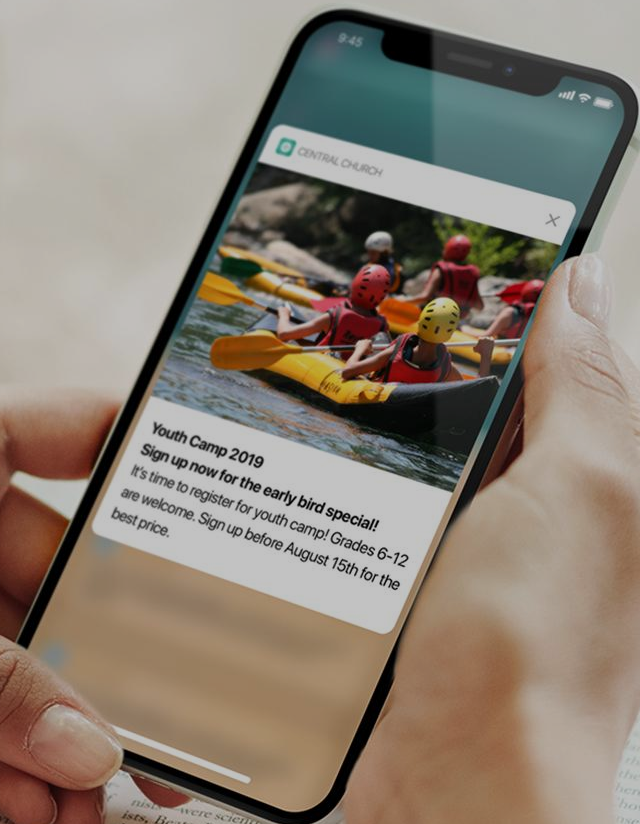


Lovina McMurchy
Independent Director

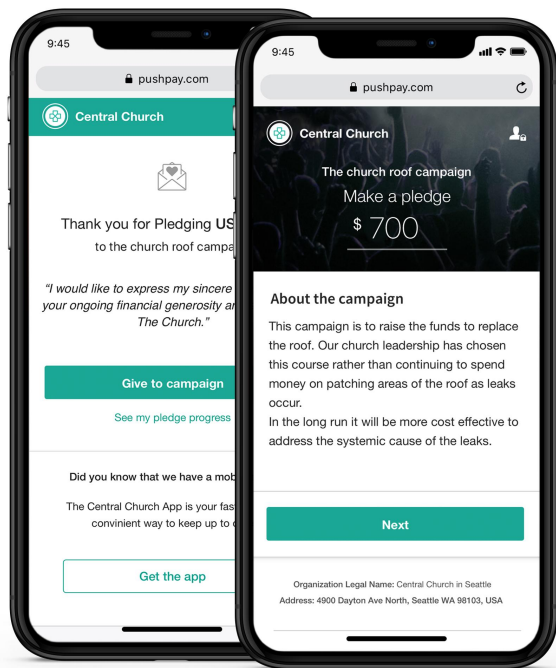


Heidi Keele
VP of Marketing

A leading cloud-first solution



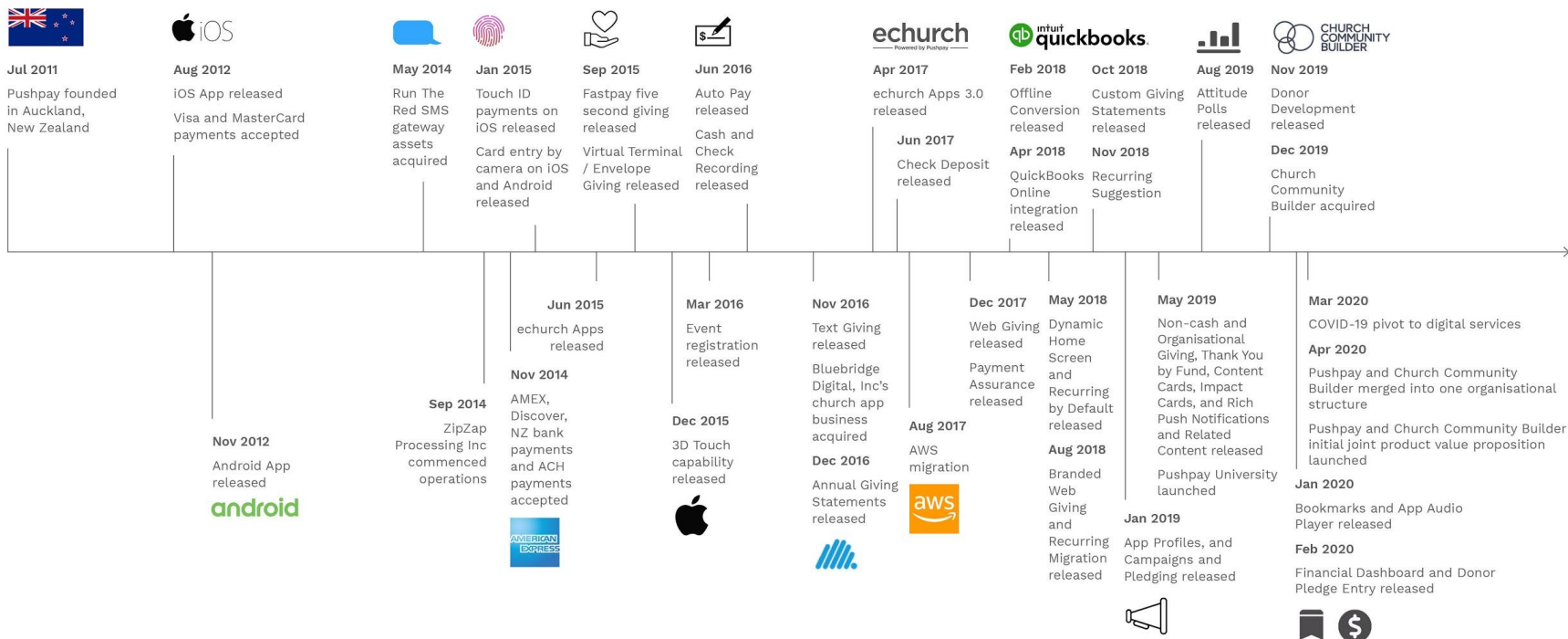
Product design and development



“Our mission is reaching a city to touch a world, and none of that is possible without technology. Not everyone is going to walk through the church doors physically. For us to be able to reach folks where they’re at, whether it’s at home or a coffee shop, technology has been amazing with that.”

Rob Ferguson, Bethel World Outreach

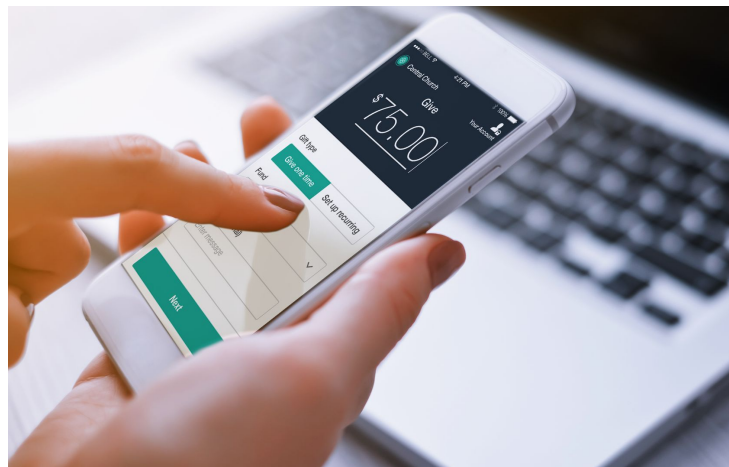
Product design and development



Spring product launch | May, 2019

Nurturing and engaging members while fueling generosity has never been easier.

With **Thank you by Fund**, **Impact Cards** and **Pledge Progress**, Customers can create unique, meaningful communications with their donors. With the addition of **Non-cash** and **Organisational Giving**, Pushpay becomes the source of truth for all giving. **Rich Push Notifications**, **App Badges**, **Related Content** and **Content Cards** drive adoption and engagement in the App while enhancing the user experience.



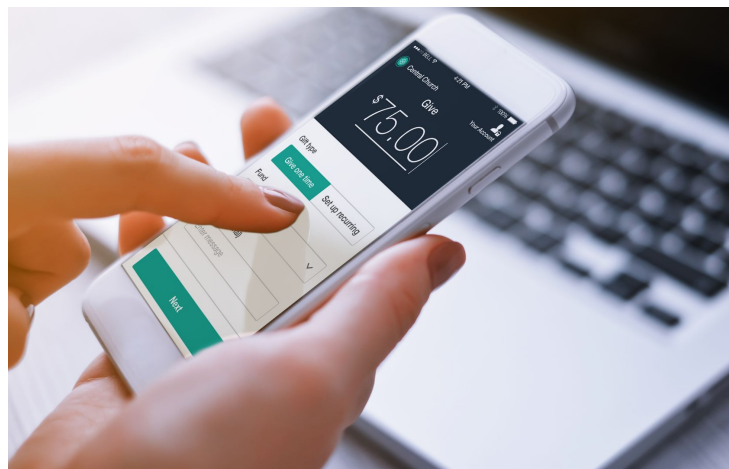
Positioning

- Customised interactions that nurture members
- All giving through Pushpay
- App engagement and adoption
- Self-help user access
- Industry-leading security and reliability

Summer product launch | August, 2019

Empower donors, decrease administrative burden and increase member communication. **Self-access Giving Statements** and **Donor Campaign Progress** empower church members to self help when it comes to reporting and giving progress.

Attitude Polls and **App Rich Text** improves the user experience and helps the church customise communication. **Shelby Arena** adds to our industry leading number of integrations.



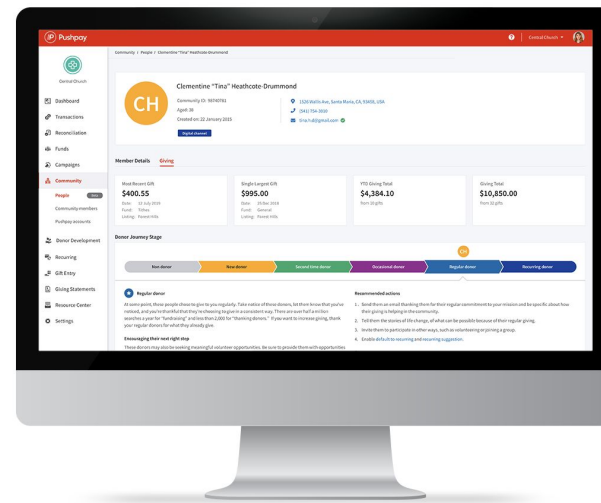
Positioning

- Empower community members
- Save administrative staff time
- Add to our industry leading amount of integrations
- Self-help user access

Fall product launch November, 2019

New solutions, including **Donor Development**, build on our existing industry-leading platform and add value by making it easier for Customers to view, report on and track generosity so they can engage with donors in more meaningful ways.

Pushpay also released new App enhancements, including **Deep Links** and **Content Bookmarks**, which increase engagement and time within the App.



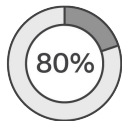
Positioning

- Holistic view of giving activity and donors
- Visibility to donor stages
- Recommended actions for church administrators
- Streamlined reporting

Donor Development



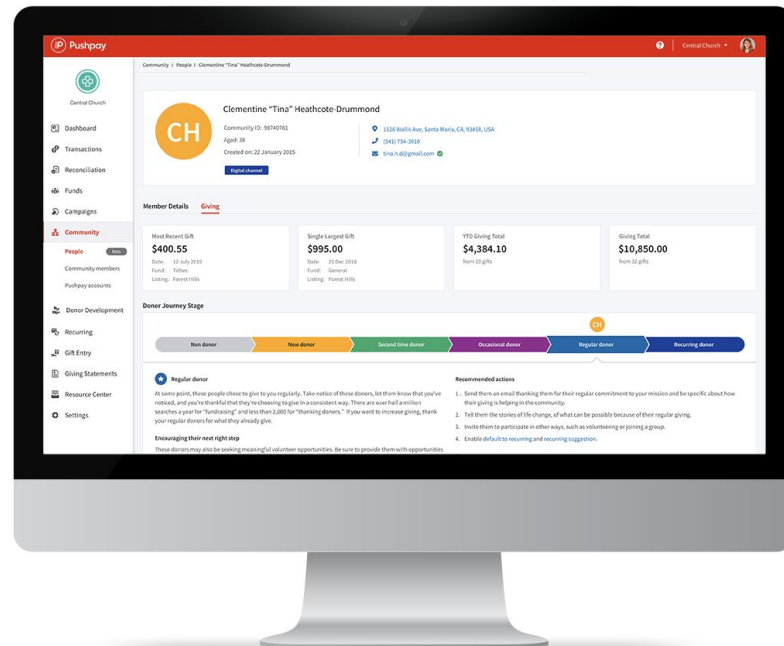
Delivers donor
insights



Streamlines
reporting



Provides
recommended action



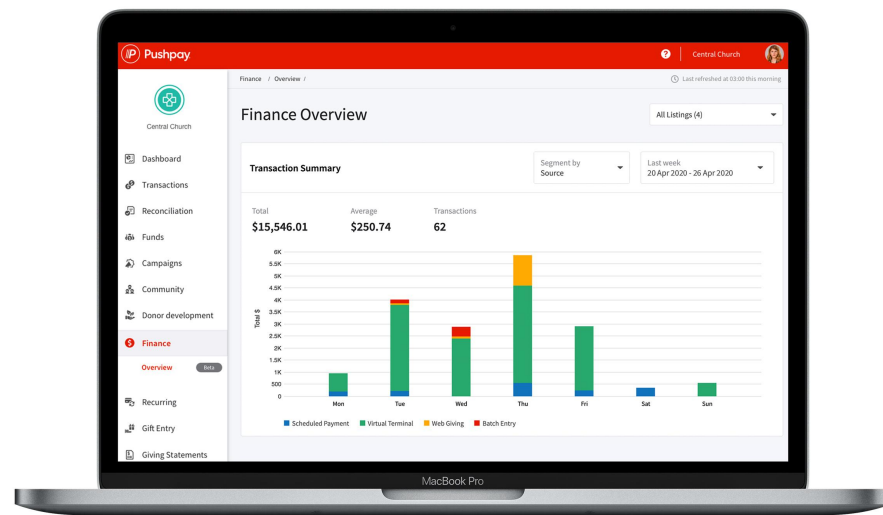
Winter product launch

February, 2020

Building on the momentum of the Donor Development release, **financial insights from Pushpay** enable church leaders to streamline reporting and have more control of their data in order to better communicate the financial health of their organisation.

Delivering a weekly giving summary, or pulling a comparison view of transactions, is **simplified with the Financial Dashboard**.

Pushpay also expanded its solutions with features and enhancements to drive engagement and generosity, including **Donor Pledge Entry**, enhancements to the **App Audio Player** and an integration with a missions payment platform.

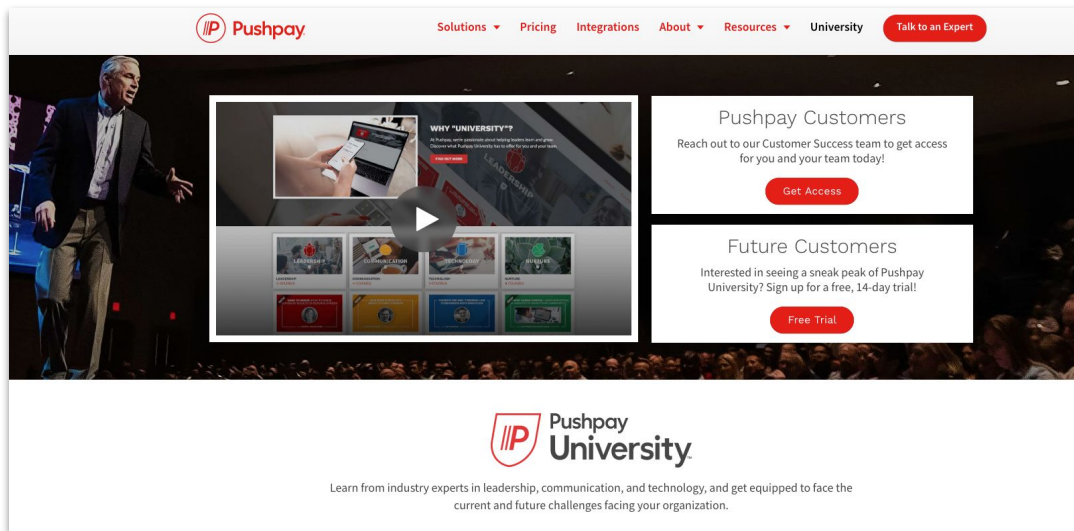


Positioning

- Surfaces financial insights and trends
- Reduces time spent on manual reporting
- Improves accessibility to important financial information
- Reduces reliance on other systems and tools

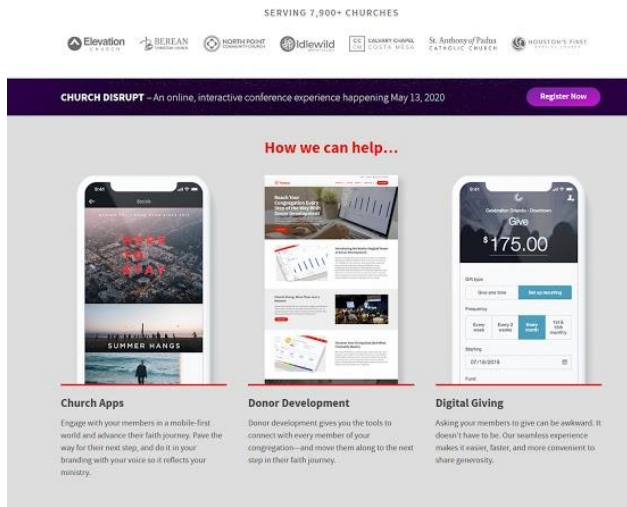
Pushpay University

- Launched in May 2019
- Thought leadership
- Expanded curriculum
- Over 30 video courses and 1,600 users



Website refresh

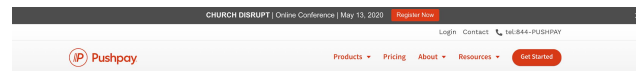
- Messaging
- Imagery
- New page performance
- Testimonials



Pushpay + Church Community Builder Come Together

We are excited to share the power of a total engagement solution with all-new tools from Pushpay and Church Community Builder.

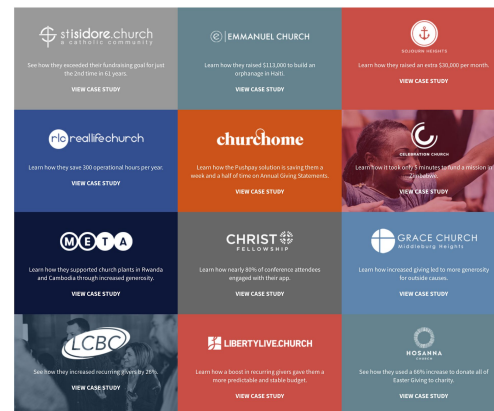
[Learn More](#)



Testimonials

Our customers in action

Pushpay works with more than 7,900 churches around the world. We're passionate about helping them increase participation in their organizations, and we love sharing stories about how they're helping their communities.



Pushpay Cares

Vision for volunteering

- ✓ Enable staff to give back to the community
- ✓ Support and organise quarterly volunteer events
- ✓ Partner with Customers and key philanthropic organisations
- ✓ Self-governing group to contribute, plan and execute
- ✓ Make a difference through generosity

How we've made a difference

- **5 October:** Love Snoqualmie Valley; Cover the Valley with Kindness; Snoqualmie Valley, Washington, US
- **2 December:** Bake off for Starship Hospital; Auckland, New Zealand
- **3 December:** Issaquah Food Bank; Issaquah, Washington, US
- **22 January:** Congregations of the Homeless Meal; Bellevue, Washington, US



Churchome: Serve Your City
Seattle, Washington, US

Industry recognition



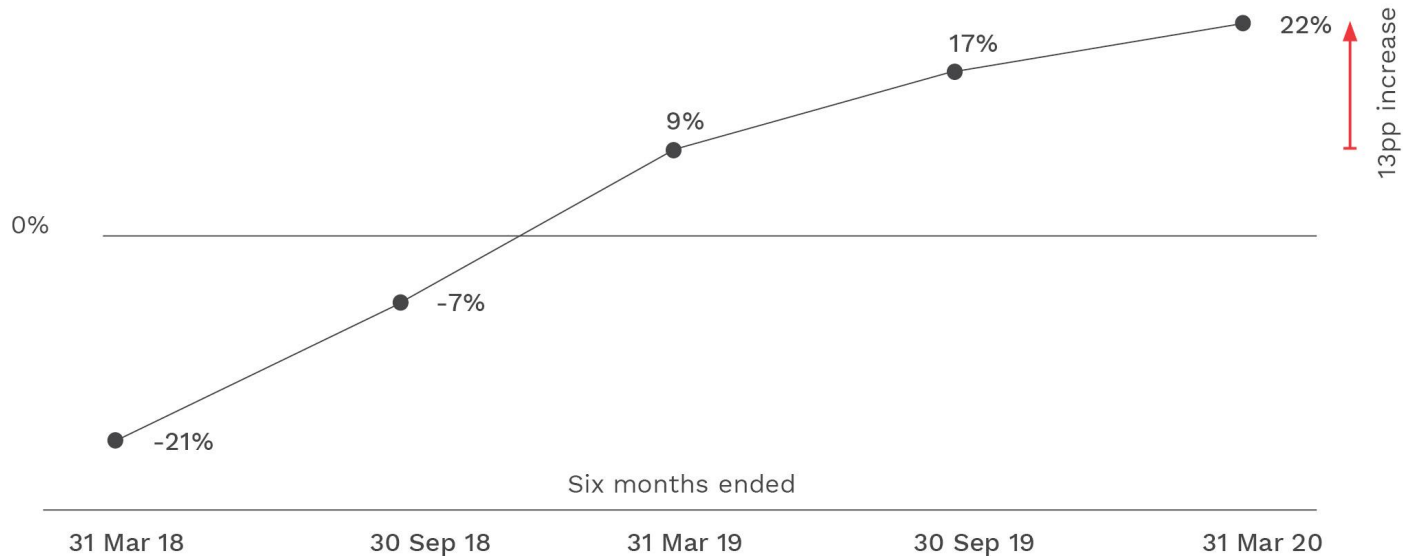
Finance update



Income Statement

	<i>Year ended</i> <i>31 March 2020</i>	<i>Year ended</i> <i>31 March 2019</i>	<i>Movement</i>	
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>Change</i>
Total revenue	129,797	98,365	31,432	32%
Total expenses	(108,124)	(99,781)	(8,343)	8%
Net profit/(loss) before tax	21,673	(1,416)	23,089	1,631%
Income tax benefit/(expense)	(5,672)	20,243	(25,915)	-128%
Total comprehensive profit for the year	11,139	17,649	(6,510)	-37%

EBITDAF as a percentage of operating revenue

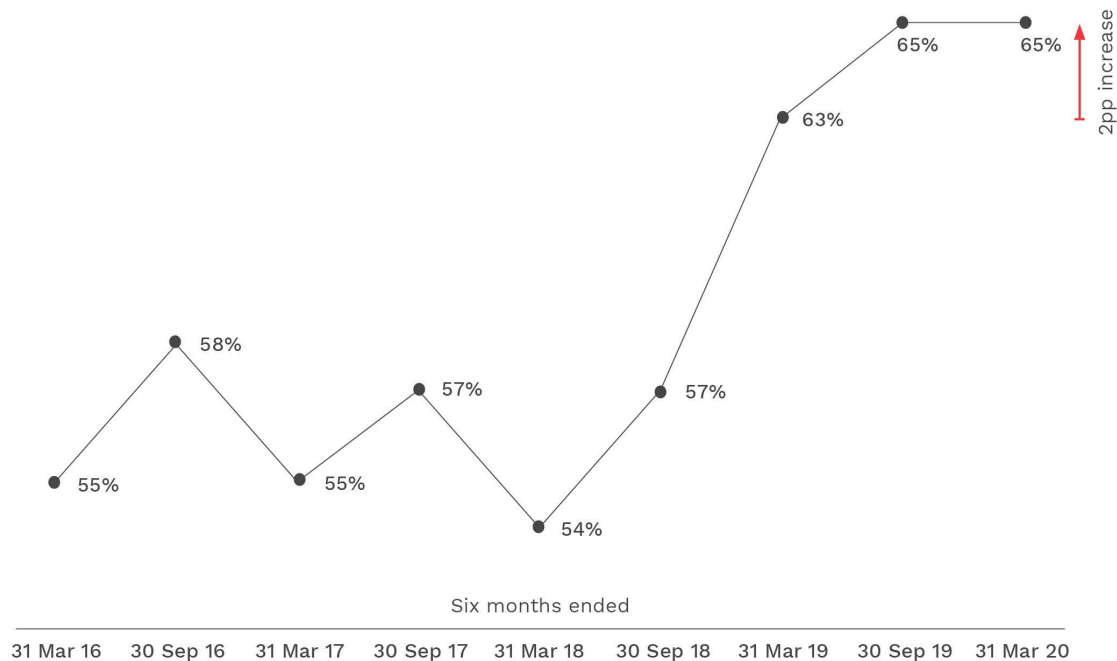


Business results and gross profit

	<i>Year ended 31 March 2020</i>	<i>Year ended 31 March 2019</i>	<i>Movement</i>	
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>Change</i>
Subscription revenue	35,307	26,656	8,651	32%
Processing revenue	91,985	69,251	22,734	33%
Other operating revenue	175	-	175	N/A
Total operating revenue	127,467	95,907	31,560	33%
Third party direct costs	44,791	37,889	6,902	18%
Gross profit	82,676	58,018	24,658	43%
<i>Percentage of operating revenue</i>	<i>65%</i>	<i>60%</i>		<i>5pp</i>

Note - pp means percentage point.

Gross margin percentage

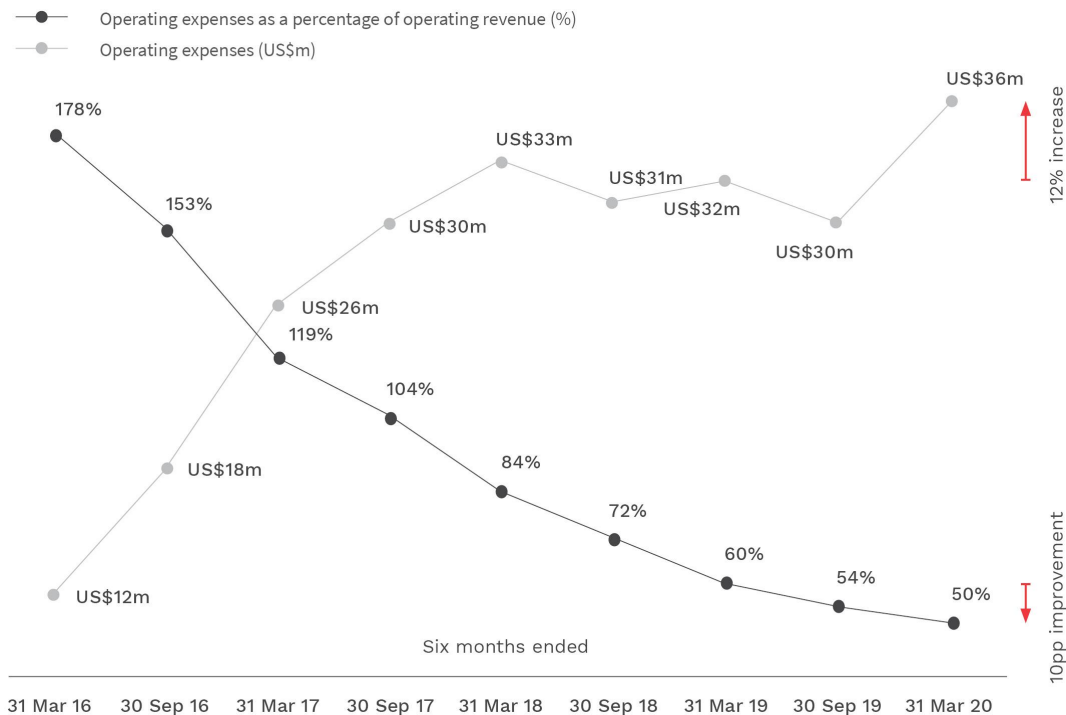


Operating expenses (ex third party direct costs)

	<i>Year ended 31 March 2020</i>	<i>Year ended 31 March 2019</i>	<i>Movement</i>	
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>Change</i>
Product design and development	(17,247)	(17,111)	(136)	1%
Sales and marketing	(27,036)	(28,591)	1,555	-5%
Customer success	(7,275)	(5,868)	(1,407)	24%
General and administration	(14,178)	(10,954)	(3,224)	29%
Total operating expenses	(65,736)	(62,524)	(3,212)	5%
<i>Percentage of operating revenue</i>	<i>52%</i>	<i>65%</i>		<i>-13pp</i>

Note - pp means percentage point.

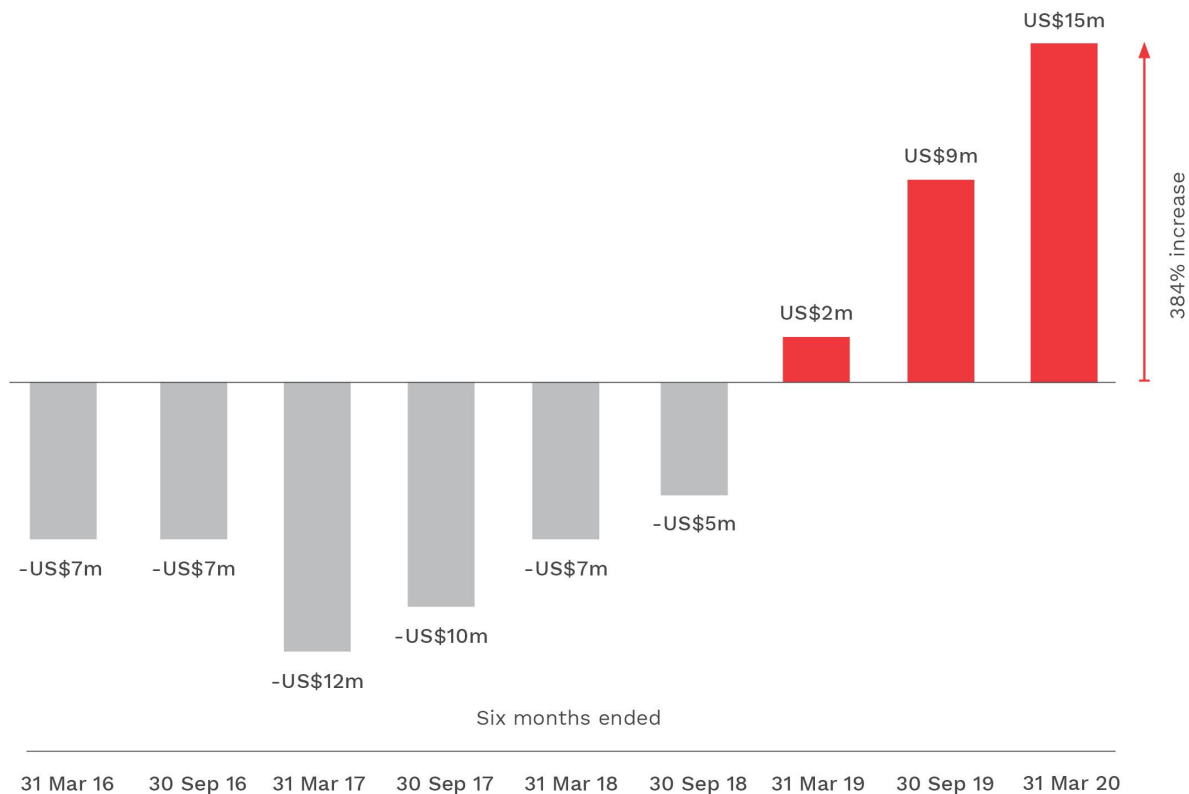
Operating expenses



Statement of Cash Flows

	<i>Year ended</i> <i>31 March 2020</i>	<i>Year ended</i> <i>31 March 2019</i>	<i>Movement</i>	
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>Change</i>
Receipts from Customers	86,060	58,192	27,868	48%
Other operating activities	(62,539)	(60,949)	(1,590)	3%
Net cash flows from operating activities	23,521	(2,757)	26,278	953%
Net cash flows from investing activities	(84,766)	(300)	(84,466)	Large
Net cash flows from financing activities	54,967	-	54,967	N/A
Net increase in cash and cash equivalents	(6,278)	(3,057)	(3,221)	105%
Cash & cash equivalents at end of the year	7,203	13,926	(6,723)	-48%

Total operating cash flows



Statement of Financial Position

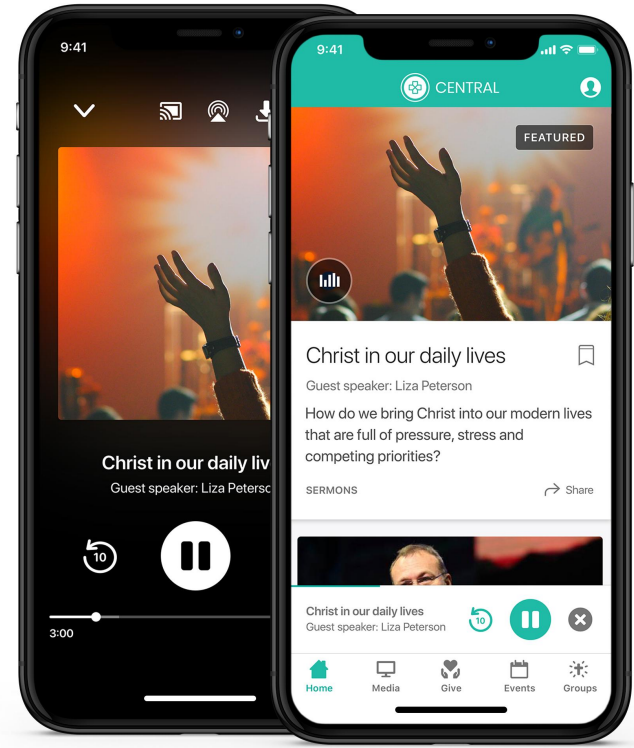
	<i>As at</i> <i>31 March 2020</i>	<i>As at</i> <i>31 March 2019</i>	<i>Movement</i>	
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>Change</i>
Cash and cash equivalents	7,203	13,926	(6,723)	-48%
Other assets	127,836	39,799	88,037	221%
Unearned revenue	(14,305)	(7,097)	(7,208)	102%
Other current liabilities	(32,123)	(5,834)	(26,289)	451%
Non current liabilities	(35,671)	-	(35,671)	N/A
Net assets/total equity	52,940	40,794	12,146	30%

Outlook



Impacts of COVID-19

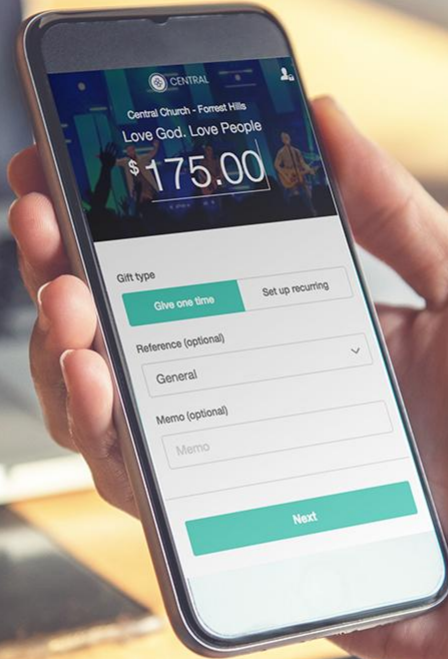
- Shift to digital as services move online
- Increase in demand for Pushpay's services
- COVID-19 Campaign: 'Stay Connected When it's Critical'
- Partnership with Stream Monkey



Guidance for the year ending 31 March 2021

EBITDAF of between US\$48.0 million and US\$52.0 million

Q&A



Appendix



Staff headcount

<i>As at 31 March</i>	<i>2020</i>	<i>2019</i>	<i>Change</i>
Product design and development	133	104	28%
Sales and marketing	148	147	1%
Customer success	95	73	30%
General and administration	83	65	28%
Total Group	459	389	18%

Key metric definitions

Annual Revenue Retention Rate – is revenue retained from Customers and is measured by the amount of revenue at the end of the period, over the amount of revenue from the end of the previous period for Customers who joined Pushpay prior to the end of the previous 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.

Cash and Cash Equivalents – is cash on hand; deposits held at call with financial institutions; and other short-term, highly liquid investments readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

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.

Earnings before Interest, Tax, Depreciation, Amortisation and Foreign Currency (gains)/losses (EBITDAF) – is a non-GAAP financial measure calculated by adding back net interest income, depreciation and amortisation, income tax expense and net foreign currency gains/losses to net profit/(loss).

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 one 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.

Net Profit after Tax (NPAT) – is calculated in accordance with NZ IFRS.

Operating Revenue – is receipts received from Customers calculated in accordance with IFRS accounting standards.

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).

Total Processing Volume – is payment transaction volume through the Pushpay payment platform, that Pushpay derives revenue from within a period. This excludes payment transaction volume that is not processed through the Pushpay payment platform.

Total Revenue – is receipts received from Customers and other income calculated in accordance with IFRS accounting standards.

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).

