

## **ASX ANNOUNCEMENT (ASX: LBY)**

24 March 2021

### **Investor Presentation – E&P Investor Conference**

Attached is a copy of a presentation to be given later today by Managing Director Gary Rohloff at the E&P Investor Conference.

For more information, please contact:

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**This announcement was approved for release by Gary Rohloff, Managing Director**

### **About Laybuy**

Launched in 2017, Laybuy is a rapidly growing fintech company providing buy now, pay later services partnering with over 8,000 retail merchants. Laybuy is available in New Zealand, Australia, the UK and the USA. The unique, fully integrated payment platform is helping to revolutionise the way consumers spend. Laybuy is simple. Customers can shop now, receive their purchase straight away, and pay it off over six weekly payments without paying interest. For more information visit [laybuyinvestors.com](https://laybuyinvestors.com).





**Laybuy (ASX:LBY)**  
**E&P Investor Conference**

24 MARCH 2021

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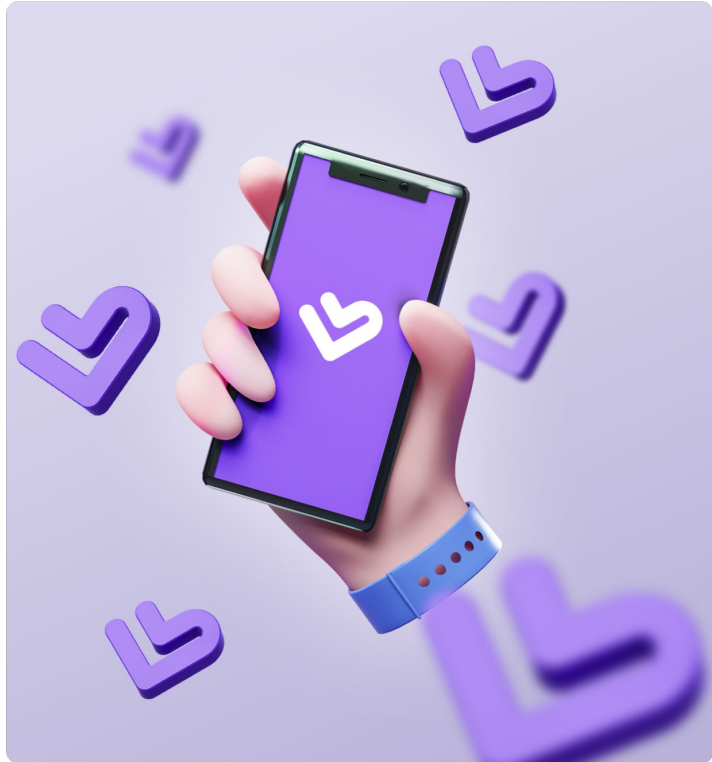
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# Investment Highlights

Laybuy is a fast-growing “Buy-Now-Pay-Later” (BNPL) provider with a market leadership position in New Zealand and a growing presence in the United Kingdom (UK) and Australia.



A leading **BNPL provider** in New Zealand

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Successfully entered large **UK Market**

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Partnerships with UK merchants and strategic partners driving **rapid growth**

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Forecasted FY21 Gross Merchandise Value (GMV) of NZ \$581 - \$586m (~**160% growth** on PcP) with Q3 FY21 Annualised GMV of NZ\$ 730m (18% up on PcP) <sup>(1)</sup>

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Attractive merchant position, **8,647 active merchants** <sup>(2)</sup>, 66% growth since FY20

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Differentiated offering for consumers, **733,000 active customers** <sup>(2)</sup>, 82% growth since FY20

Funding options and capital efficient business model to facilitate future **growth up to NZ\$4bn GMV**

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Highly scalable and flexible technology platform

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Laybuy managed by retailers for retailers

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Proven management and board

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Continued growth through COVID-19 period

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**Well positioned** for regulation

1. Annualised GMV is based on annualising the GMV for the three months to December 2020. Growth on the comparable 3 month period in 2019.

2. As at 28 February 2021, compared to FY20 (31 March 2020).

# Differentiated Offering

Laybuy aims to differentiate itself against other BNPL and traditional credit offerings through the combination of the following features

**6 weekly payments.** We aim to be the leading weekly BNPL provider

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We **never** charge interest – ever

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First to market with **Laybuy Boost** which allows customers to increase the value of their purchase by providing a larger first payment in one seamless transaction. This lifts our ROI as we charge our commission on the total value of the transaction

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Laybuy is **currency agnostic** through Laybuy Global, enabling international purchases with seamless currency conversion

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Laybuy is available **in-store and online**

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Laybuy runs **credit checks** via third parties including Experian and Centrix, and utilises advanced fraud mitigation technologies from Sift Science, 3D secure, and Onfido



# Laybuy Business Platform

A customer acquisition and marketing tool for merchants and a convenient and cost effective payment option for customers

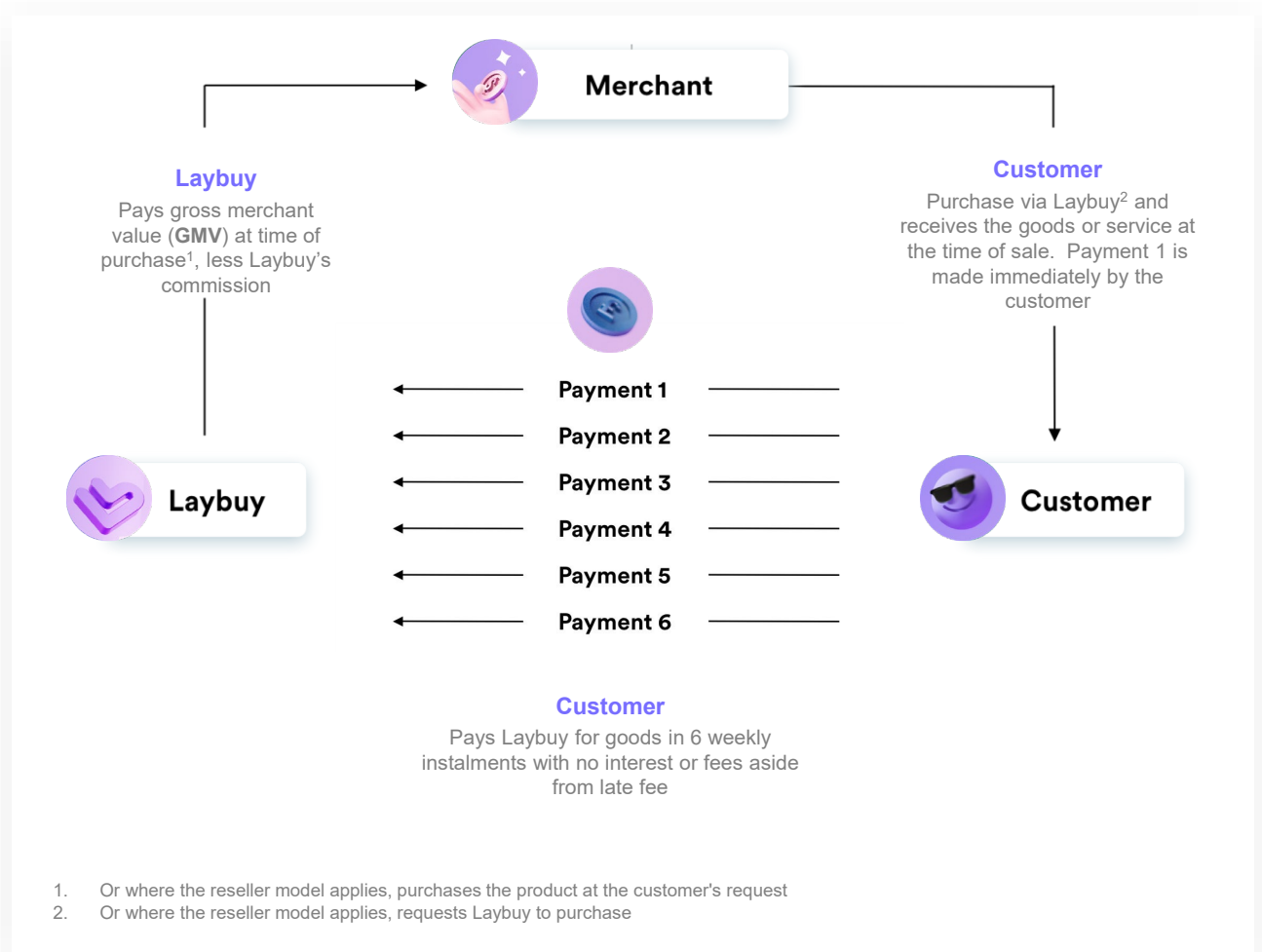
Allows customers to **buy now**, pay one sixth of the selling price upfront, and the balance over the following five weeks

Free for customers with **no interest** to pay

Sign up and credit check **in minutes**, via the Laybuy smartphone app or website

**Merchant credit risk** is borne by Laybuy. Sale proceeds are less Laybuy's commission

**Simple, quick and low cost** to integrate for Merchants





# Market leader in responsible lending

Laybuy was founded with a vision of making life easier for consumers by helping them better manage their budgets and avoid the traps of high-interest credit. At Laybuy, we work hard to prevent customers from falling into debt they cannot afford.



Purchase price split into six, weekly instalments. No interest charged, ever!



Independent credit checking of every new customer to provide an assessment of their ability to fulfil future repayment commitments.



Strict credit limits and automatic suspension of account in event of missed payment to prevent accruing of additional debt – average customer transaction limit is £240.



Robust hardship policy and commitment to work proactively with customers in financial difficulty.



Late fees capped, and 97% of customers never pay a late fee.



Laybuy pays any and all collection fees so customers only ever pay the amount borrowed.



Championing the development of an industry-wide Code of Practice that protects consumers while establishing an enabling but effective self-regulatory framework for the BNPL sector.

# Laybuy Growth Strategy

Laybuy's global growth strategy is anchored around leveraging its scalable platform and proven execution



## Increase market share in already established markets

- Improve Laybuy's penetration in existing industries and sectors through co-branded marketing campaigns.
- Laybuy will seek to expand in the health, beauty, digital, travel and ticketing verticals.
- Grow merchant numbers through the global partner programme.



## Acceleration of growth in the UK and explore other markets

- The Laybuy platform is built for global scalability.
- Target large, influential merchants to drive scale, network effects and brand recognition.
- Target SME merchants through the partnership program to diversify the concentration away from the larger merchants, driving merchant commissions up.
- US beta launched in H2 FY21 for ANZ and UK merchants to access US based customers
- Potential M&A opportunities may arise from industry consolidation.



## New Laybuy Platform enhancements to drive network effects

- Future platform enhancements to improve operational efficiencies and merchant and customer experience.
- Laybuy will focus on increasing user engagement and repeat purchases through improvements to the Laybuy App.
- Card project, including Mastercard® collaboration will deepen customer engagement with the Laybuy App.



# Focused on large UK market opportunity

Laybuy has seen significant growth in the UK market and seeks to continue that momentum

## UK Opportunity

Laybuy has seen significant growth in the UK. Annualised GMV of NZ\$401m in Q3 FY21 was up 630% on prior comparative period and momentum continues.

Laybuy is looking at targeting large, influential merchants in order to drive scale, network effects and brand recognition

Laybuy will then use its customer base and exclusive relationships to target SMEs through its partnership program in order to diversify its retailer base and increase average commissions

## UK Retail Market<sup>1</sup>



**£394bn (NZ\$757bn)**

Addressable retail market opportunity



**£75bn (NZ\$145bn)**

UK e-commerce market

## Competitive Advantages

Key exclusive partnerships with major professional sporting clubs providing Laybuy with a unique opportunity to leverage a number of mutually exclusive, global supporter bases

Scalable technology stack with a nimble and flexible team who truly service merchant needs

Upcoming launch of Laybuy's digital "Tap to Pay" card program<sup>2</sup>

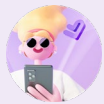
<sup>1</sup> Retail market estimates are approximate and rounded as at 2019. Retail market : Predominantly food stores, Non-specialised stores, Textile, Clothing and footwear stores, Household goods stores, Other stores and Non-store retailing. Converted at NZD/GBP of 0.52

<sup>2</sup> Currently on hold due to COVID-19 lockdown restrictions in the UK.

# Market leader in NZ and growing presence in Australia

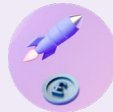
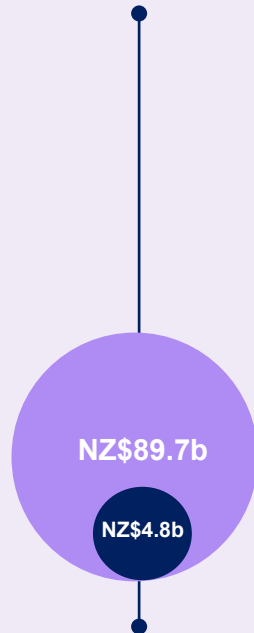
The NZ market has been a successful and value enhancing market for Laybuy shareholders since inception and has proven the technology and business model.

## ANZ Retail Opportunity<sup>1,2</sup>



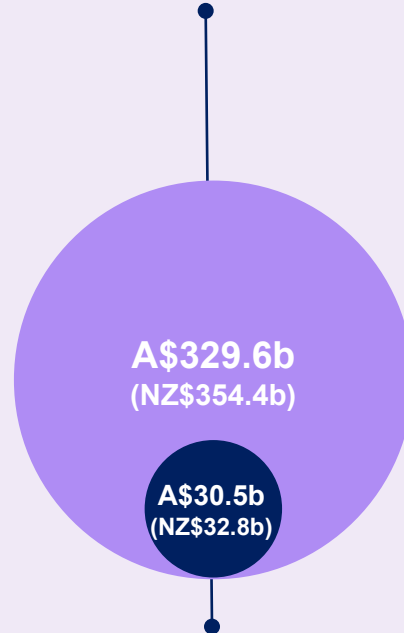
### New Zealand

(Total Retail vs Online)



### Australia<sup>3</sup>

(Total Retail vs Online)



Market leader in NZ with strong growth in active customers and active merchants



ANZ Annualised GMV of NZ\$ 329m in Q3 FY21 - up 64% on prior comparative period



Increased frequency of purchasing by existing customers



Laybuy rolled out the "Tap to Pay" product into the Australia and New Zealand markets to support in-store growth

1. Definition of retail transactions differs across geographies and includes:

New Zealand: Supermarket and grocery stores, Specialised food, Liquor, Non-store and commission-based retailing, Department stores, Furniture, Hardware Recreational goods, Clothing, Electrical and electronic goods, Pharmaceutical and other store-based retailing, Accommodation, Food and beverage services, and Motor vehicles and parts.

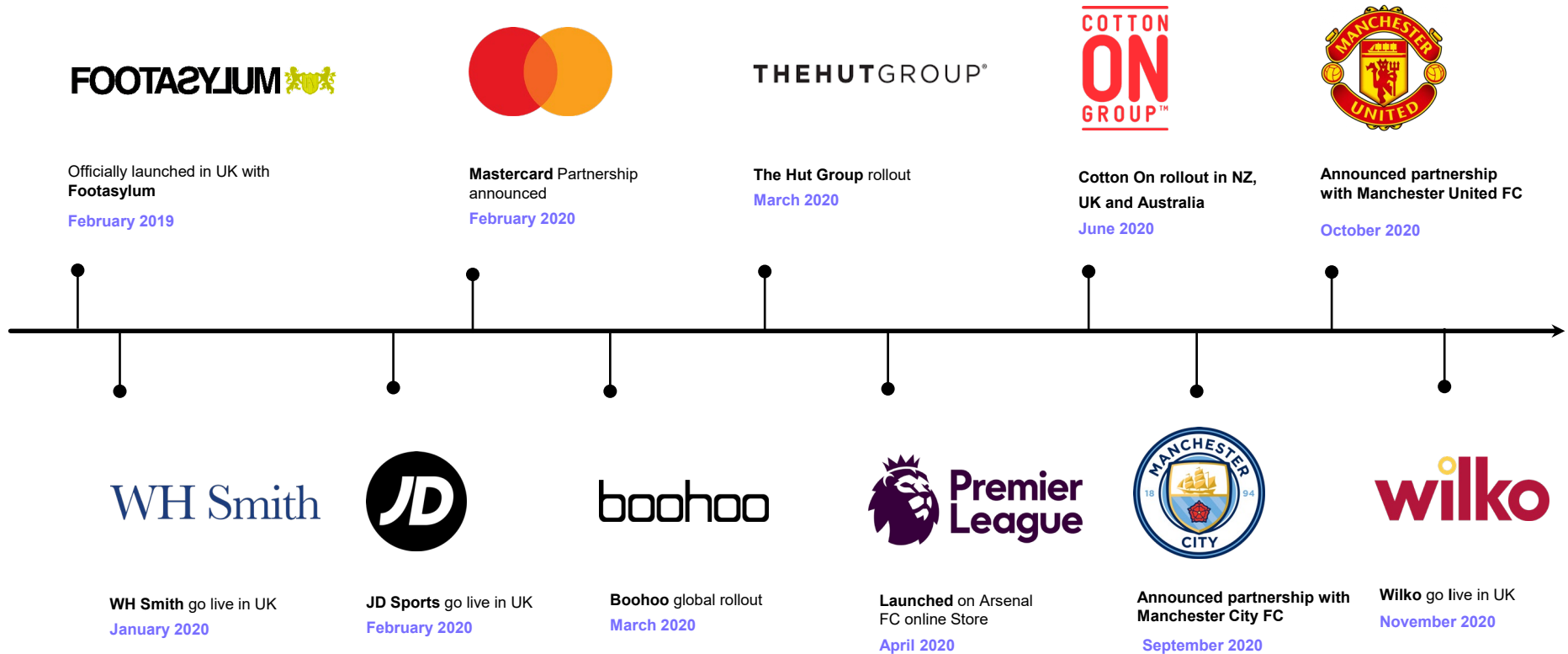
Australia: Food retailing, Household goods retailing, Clothing, footwear and personal accessory retailing, Department stores, Other retailing, Cafes, Restaurants, and Takeaway food services.

2. Retail market estimates are approximate and rounded as at 2019

3. Converted at NZD/AUD of 0.93

# Delivering on our strategy


Momentum is building fast in the UK with further large brands coming on board in 2021 which will support step changes in GMV



# Digital Card is transforming the in-store customer and merchant experience

Currently live in AU and NZ, the UK to closely following easing of COVID19 restrictions, this “Tap to Pay” BNPL offering allows customers to bypass a number of steps currently required for in-store transactions

- Significant acceleratory for Laybuy's in-store offer.
- The digital card is live in Australia and New Zealand, UK on hold until COVID restrictions are lifted.
- Digital card integrates with the existing Laybuy App and offers integrated payment support for the majority of mobile devices, including iOS and Android.
- The digital card makes it easier for customers to use Laybuy in-store because it allows them to skip a number of steps that are usually required when making purchases using BNPL.
- Allows retailers to enable Laybuy with unparalleled ease, making it even easier for them to introduce “Tap to Pay” BNPL to their shoppers





**Wave.  
Pass.  
Tap.**

**Tap to Pay with  
Laybuy is here.**

Got the Laybuy app? Pay it in 6 with one tap.

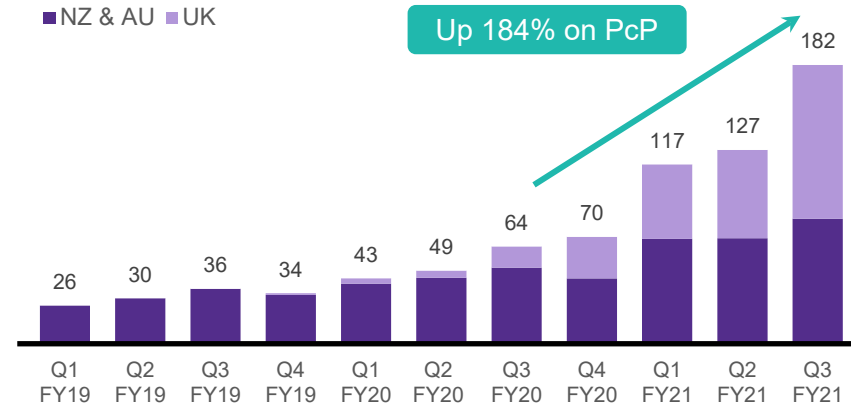
[Apply now](#)

 LAYBUY

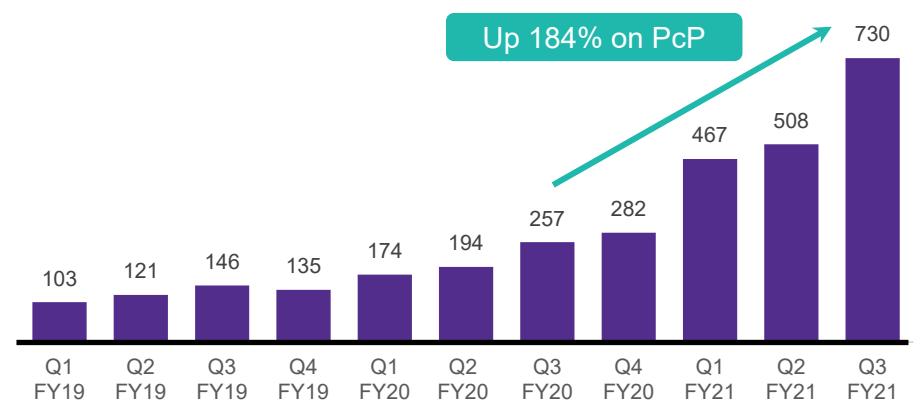
 mastercard

# Demonstrating record growth across all key operating metrics

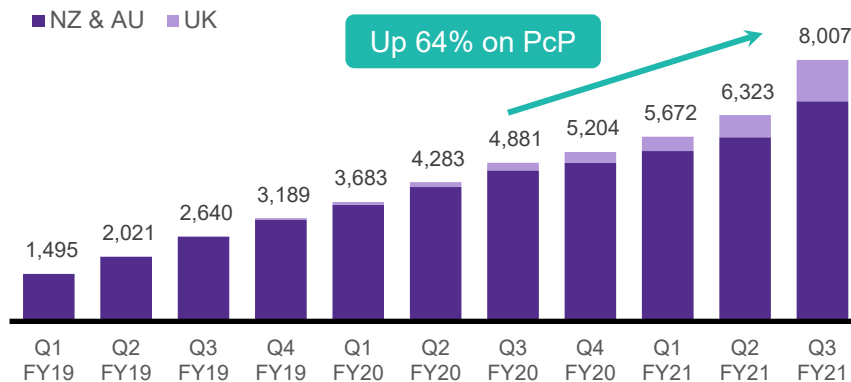
GMV (NZ\$m)



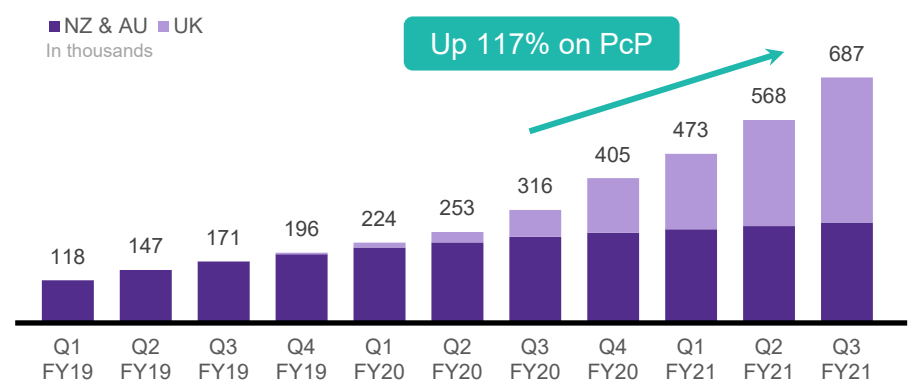
Annualised GMV (NZ\$m)<sup>4</sup>



Active merchants<sup>5</sup>



Active customers<sup>6</sup>



4. Annualised GMV is based on annualising the GMV for the relevant quarter

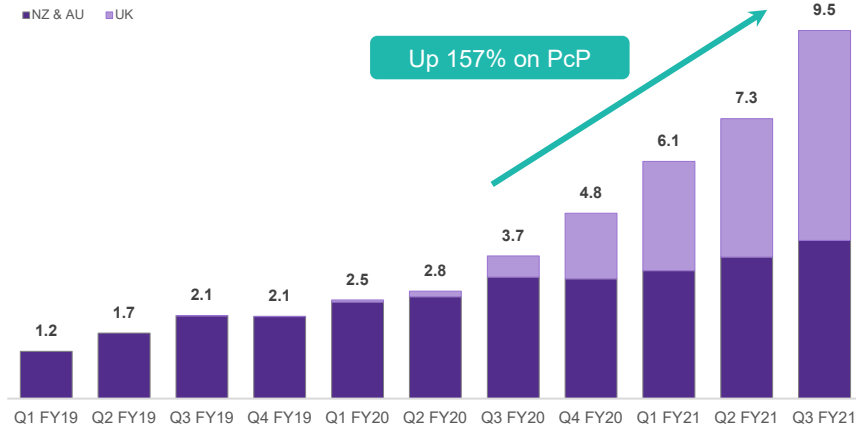
5. An "Active merchant" is a merchant who has received payment for a purchase through the Laybuy platform within the 12 months prior to the end of the relevant period

6. An "Active customer" is a customer who has made a purchase through the Laybuy platform within the 12 months prior to the end of the relevant period

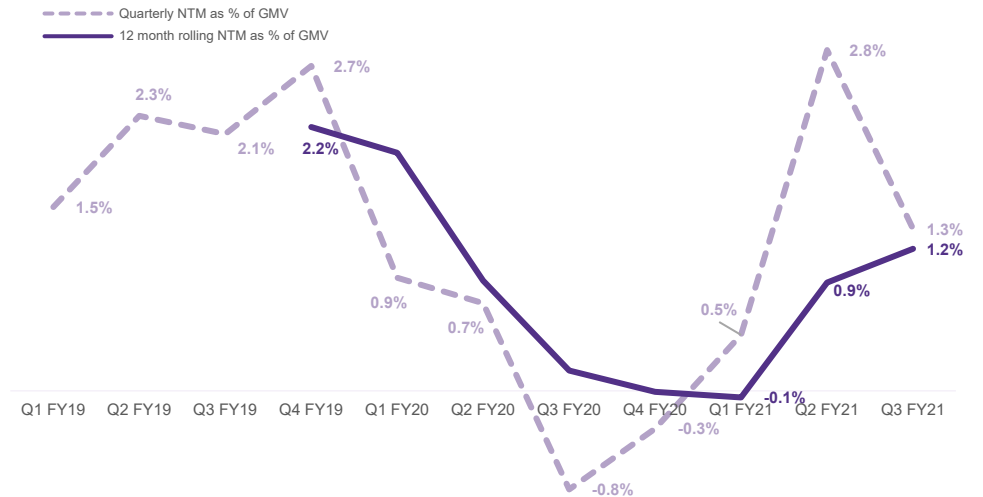
# Rapidly Growing Income

Quarterly income continues to grow rapidly, largely supported by growth in the UK, while NTM remains positive. Revenue increased by 157% in Q3 FY21 compared to Q3 FY20.

Group quarterly revenue (NZ\$m)



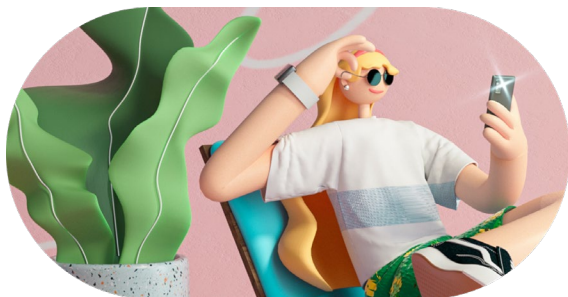
Transaction Margin (% of GMV)





# Full year FY21 Outlook

Laybuy's differentiated offering and growing brand awareness is delivering strong growth rates across all regions in the key operating and financial metrics.



Laybuy has made significant progress against its growth strategy during FY21, delivering on key strategic initiatives such as its global partnering programme and "Tap to Pay"

**Despite seasonality and COVID-19 lockdown impacts, Q4's growth remains strong (YoY)**

- Annualised Gross Merchandise Value (GMV) of NZ\$630m<sup>1</sup> and the addition of 640 Active merchants<sup>4</sup> and 45,811 Active customers<sup>3</sup> in January and February.
- Laybuy now expected to deliver results above analyst consensus expectations for Revenue and Net Transaction Margin
- Laybuy continues to increase its investment in people, product and partnerships to support growth ambitions

*Below outlook was provided in the "Laybuy Market Update" (ASX announcement 8 March 2021)*

NZ\$ million <sup>1</sup>	FY21 Forecast	FY20	% change
<b>UK GMV</b>	\$290m - \$295m	\$49m	492 - 502%
<b>ANZ GMV</b>	\$287m - \$292m	\$178m	61 - 64%
<b>GMV</b>	\$581m - \$586m	\$227m	156 - 158%
<b>Revenue</b>	\$32.0m - \$33.0m	\$13.7m	134 - 141%
<b>Net Transaction Margin (NTM)<sup>2</sup></b>	\$10.2m - \$10.7m	-\$0.02m	

Number of	February 2021	FY20	% change
<b>Active Customers<sup>3</sup></b>	733,000	403,000	82%
<b>Active Merchants<sup>4</sup></b>	8,647	5,204	66%

1. FX rates used to calculate UK/AU results to NZD equivalent: converted NZD/GBP at 0.52 and NZD/AUD at 0.93

2. Provisioning rates (included in calculation of NTM) have been estimated based on the expected credit loss model and may change based on actual losses when determined

3. Represents number of active customers at 28 February 2021. An 'Active Customer' is a customer who has made a purchase through the Laybuy platform within the last 12 months

4. Represents number active merchants at 28 February 2021. An 'Active Merchant' is a merchant who has received payment for a purchase through the Laybuy platform within the last 12 months

# Thank you.



**Gary Rohloff**  
Co- Founder & Managing Director

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 **LAYBUY** | Pay it easy.