



Laybuy (ASX:LBY)

## **Q2 FY22 Results Presentation**

28 October 2021





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All numbers are stated in New Zealand dollars (NZ\$) and relate to the three months ended 30 September 2021 (Q2 FY22) and comparisons relate to the three months ended 30 June 2021 (Q1 FY22 or QoQ) or to the three months ended 30 September 2020 (Q2 FY21 or YoY) unless stated otherwise.



# Q2 FY22 – Performance Highlights

Annualised GMV<sup>1</sup>

↗ **62%**

YoY to NZ \$825m

New UK Debt Facility

£**30m**

Partners For Growth

Increase to ANZ Debt Facility

NZ\$**30m**

Kiwibank up from NZ\$20m

Regional GMV

↗ **93%** UK

↗ **37%** ANZ

Affiliate Marketing Network

**+160**

App Exclusive Merchants

Super Rugby Partnerships

**+4**

New Zealand clubs

Quarterly Income

NZ\$**10.8m**

Up 48% YoY

Active Merchants<sup>2</sup>

↗ **86%**

YoY to 11,700

Active Customers<sup>3</sup>

↗ **57%**

YoY to 889,000

<sup>1</sup> Annualised Gross Merchandise Value (GMV) represents quarter GMV multiplied by 4. GBP and AUD denominated metrics are converted at the average historical exchange rates for each of the quarters.

<sup>2</sup> 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.

<sup>3</sup> 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.



# Laybuy's rapid growth in the UK



## Investing

in our UK team - 45% growth in CX and 20% growth in Sales team

## Strong

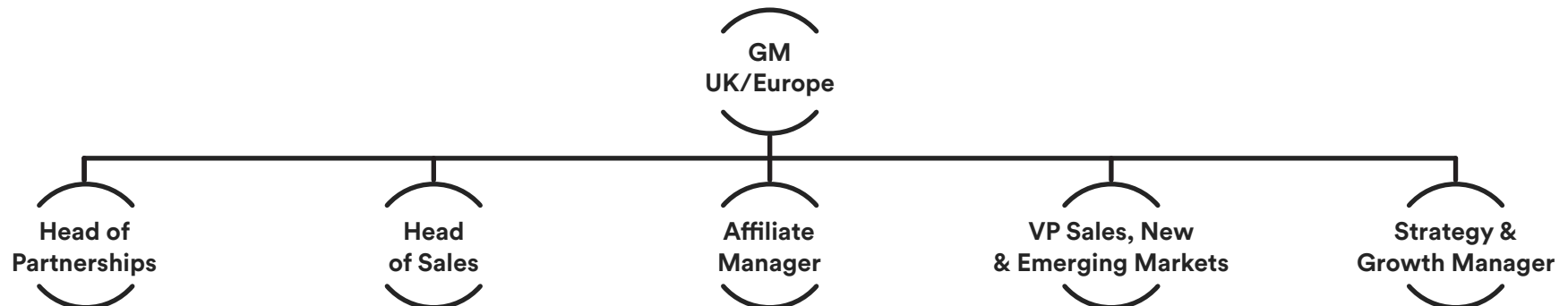
and experienced management team to accelerate UK growth

## Launch

of digital card products – Tap to Pay and App Exclusives

## Regulation

continues to be a key focus





# Funding our growth ambitions

## Partners for Growth

### New debt facility to support the UK loan book

- £30 million facility
- 75% Loan to Value ratio
- Maturity date October 2024

Supporting over £800 million of GMV in the UK region

## Kiwibank

### Improvements to existing ANZ facility

- Facility increased from \$20m to \$30m
- Loan to Value ratio increased from 75% to 80%
- Maturity date extended to July 2023, evergreen facility

Supporting over \$750 million of GMV in the ANZ region

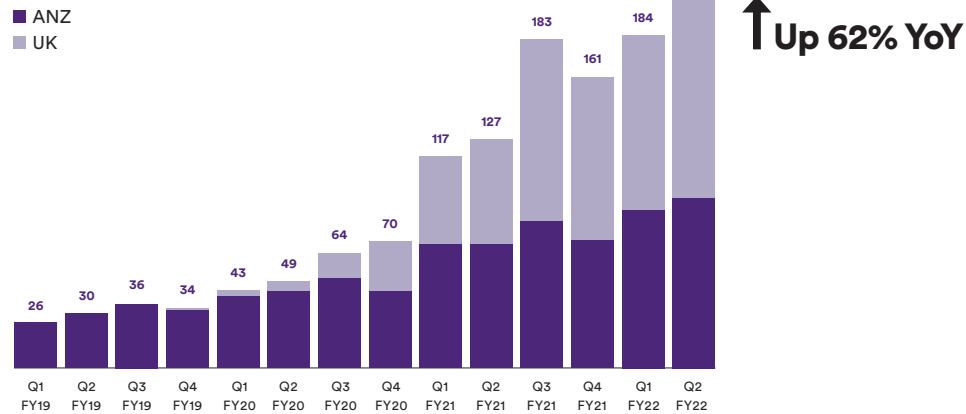
Facility	Facility limit	Drawn at 30 Sep 2021	Available to Draw <sup>1</sup>	Maturity date
Kiwibank	NZ\$30.0m	NZ\$11.5m	NZ\$1.3m	July 2023
Partners For Growth	NZ\$58.4m / £30.0m	NZ\$0.0m	NZ\$17.4m	October 2024
<b>Total</b>	<b>NZ\$88.4m</b>	<b>NZ\$11.5m</b>	<b>NZ\$18.7m</b>	

<sup>1</sup> Pro-forma drawdown amount assuming all conditions to drawdown of the new PFG facility have been satisfied and reflecting increased advance rate with Kiwibank effective 30 September 2021. Conditions to drawdown are expected to be satisfied in Q3 FY22.

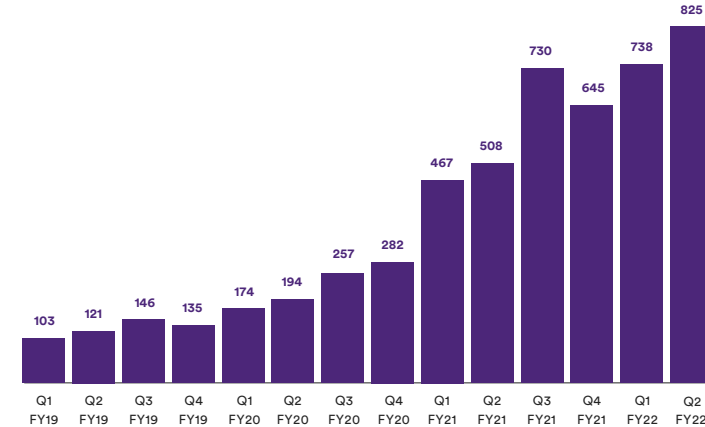


# GMV on track to reach the \$1 billion target

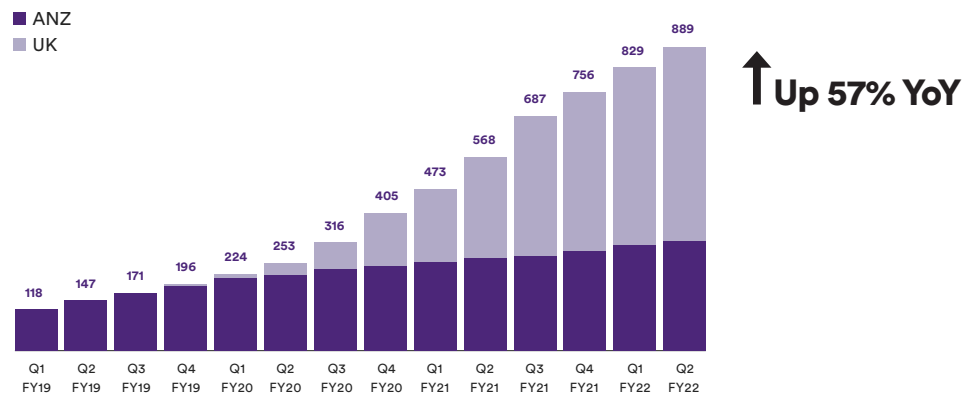
GMV quarterly (NZ\$m)



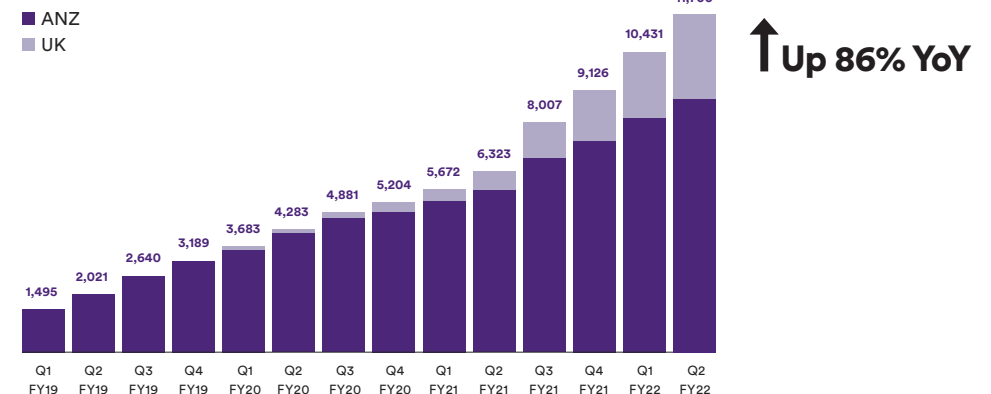
Annualised GMV quarterly (NZ\$m)



Active Customers ('000)



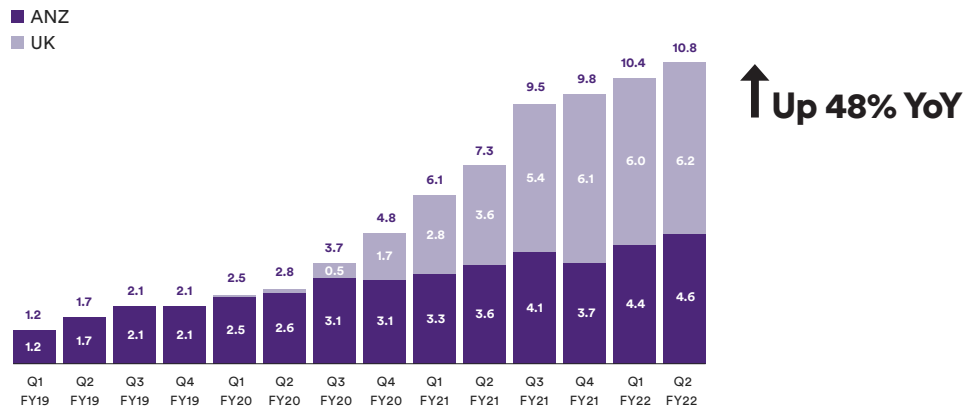
Active Merchants



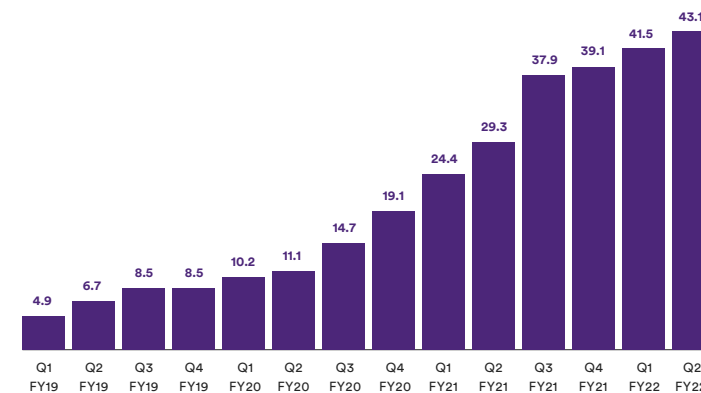


# Revenue momentum continues

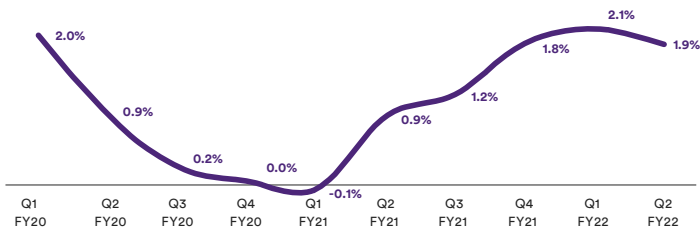
Income by region quarterly (NZ\$m)



Annualised income quarterly (NZ\$m)



NTM % - 12 month rolling average





# Financial Information







# Key financial and operational metrics

Record GMV and income supported by strong growth in the UK and ANZ

	Q2 FY22	Q1 FY22	Q2 FY21	% increase QoQ	% increase YoY
<b>Group (NZ\$m)<sup>1</sup></b>					
<b>GMV</b>	<b>\$206m</b>	<b>\$184m</b>	<b>\$127m</b>	<b>12%</b>	<b>62%</b>
<b>Annualised GMV<sup>2</sup></b>	<b>\$825m</b>	<b>\$738m</b>	<b>\$508m</b>	<b>12%</b>	<b>62%</b>
Active Customers <sup>3</sup>	889,000	829,000	568,000	7%	57%
Repeat Customers	66%	66%	63%	0bps	300bps
Active Merchants <sup>4</sup>	11,700	10,431	6,323	12%	86%
<b>Income</b>	<b>\$10.8m</b>	<b>\$10.4m</b>	<b>\$7.3m</b>	<b>4%</b>	<b>48%</b>
<b>Annualised Income</b>	<b>\$43.1m</b>	<b>\$41.5m</b>	<b>\$29.3m</b>	<b>4%</b>	<b>48%</b>
NTM % of GMV	1.9%	2.0%	2.3%	(10bps)	(40bps)
Defaults % of GMV	(2.2%)	(2.5%)	(2.1%)	30bps	(10bps)
<b>UK (NZ\$m)</b>					
<b>GMV</b>	<b>\$111m</b>	<b>\$96m</b>	<b>\$58m</b>	<b>16%</b>	<b>93%</b>
<b>Annualised GMV</b>	<b>\$446m</b>	<b>\$384m</b>	<b>\$231m</b>	<b>16%</b>	<b>93%</b>
Active Customers	566,100	516,900	297,700	10%	90%
Repeat Customers <sup>5</sup>	62%	62%	56%	0bps%	600bps
Active Merchants	2,900	2,314	676	25%	332%
<b>ANZ (NZ\$m)</b>					
<b>GMV</b>	<b>\$95m</b>	<b>\$88m</b>	<b>\$69m</b>	<b>7%</b>	<b>37%</b>
<b>Annualised GMV</b>	<b>\$380m</b>	<b>\$354m</b>	<b>£278m</b>	<b>7%</b>	<b>37%</b>
Active Customers	322,400	312,000	270,000	3%	19%
Repeat Customers	73%	72%	70%	100bps	300bps
Active Merchants	8,800	8,117	5,647	8%	56%

<sup>1</sup> FX rates used to calculate UK/AU results to NZD equivalent: converted NZD/GBP at 0.51 and NZD/AUD at 0.95

<sup>2</sup> Annualised GMV multiplies the current quarter by four

<sup>3</sup> An 'Active Customer' is a customer who has made a purchase through the Laybuy platform within the last 12 months

<sup>4</sup> An 'Active Merchant' is a merchant who has received payment for a purchase through the Laybuy platform within the last 12 months

<sup>5</sup> A customer who has made more than one purchase through the Laybuy platform within the 12 months prior to the end of the relevant period

- **Annualised GMV of NZ\$825 million, up 62% on Q2 FY21, with the UK up 93% YoY.**
- **Annualised income of NZ\$43.1 million, up 48% YoY,** supported by strong growth in GMV through increased active customers and active merchants. Merchant commission as a % of total sales decreased slightly as a result of stronger growth in the UK.
- **Net Transaction Margin (NTM) of 1.9% was 40bps lower** than Q2 FY21 as a result of a slight increase in defaults and a higher contribution of the UK market compared to ANZ.
- **Active customers** increased by more than 320,000 and eclipsing 900,000 by October.
- **Active merchants** increased by over 5,000 and eclipsed 12,000 by October.
- **Repeat customer** use continued to improve YoY, up 300 bps from Q2 FY21.



# Regional Performance

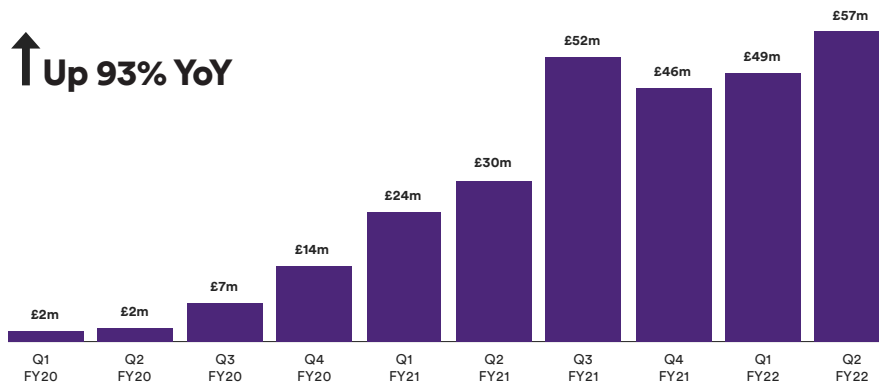




# United Kingdom

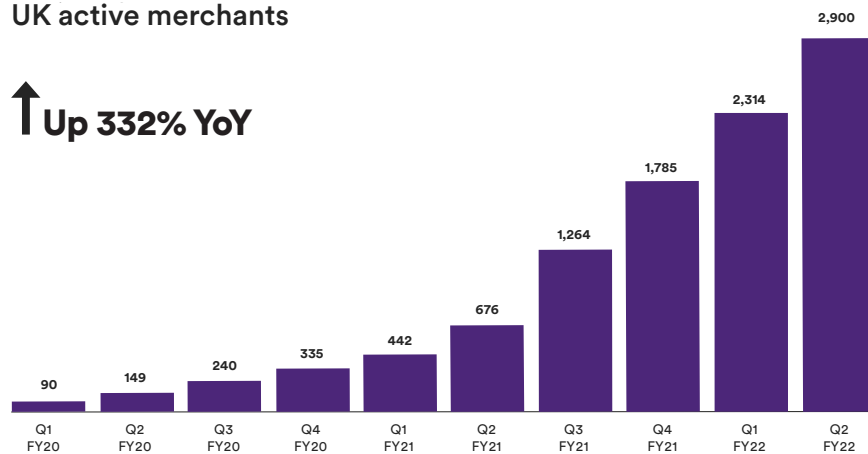
UK quarterly GMV (£m)

↑ Up 93% YoY



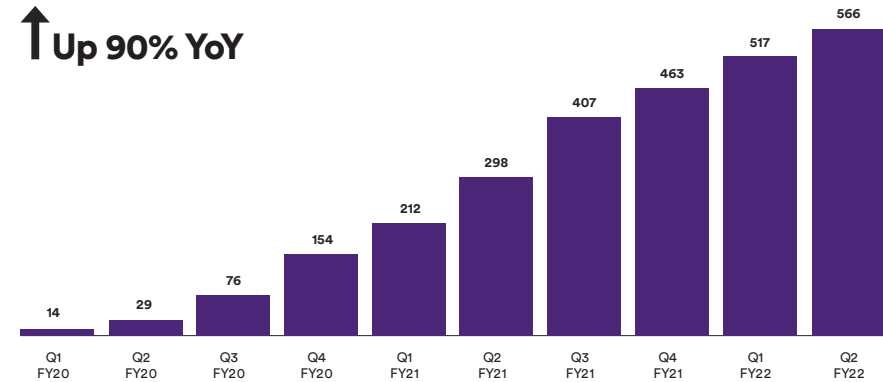
UK active merchants

↑ Up 332% YoY



UK active customers ('000)

↑ Up 90% YoY



Key Merchants

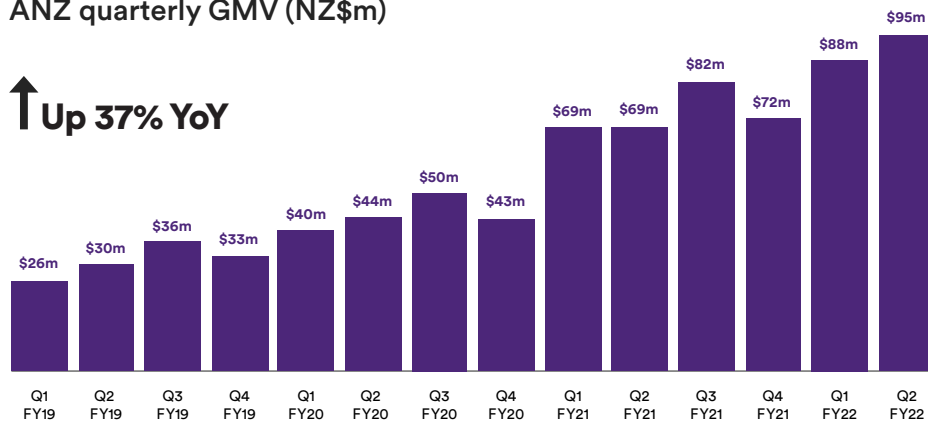




# Australia & New Zealand (ANZ)

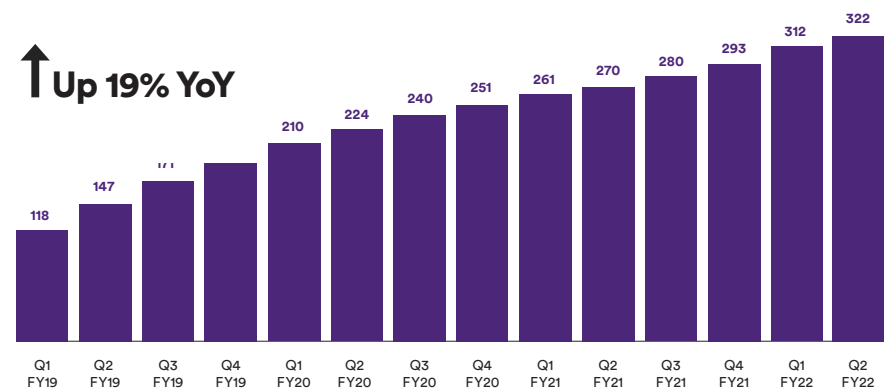
ANZ quarterly GMV (NZ\$m)

↑ Up 37% YoY



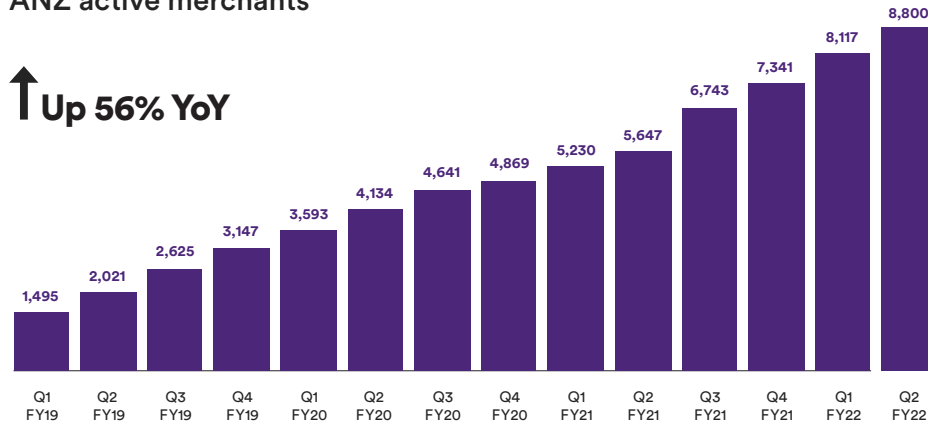
ANZ active customers ('000)

↑ Up 19% YoY



ANZ active merchants

↑ Up 56% YoY



Key Merchants



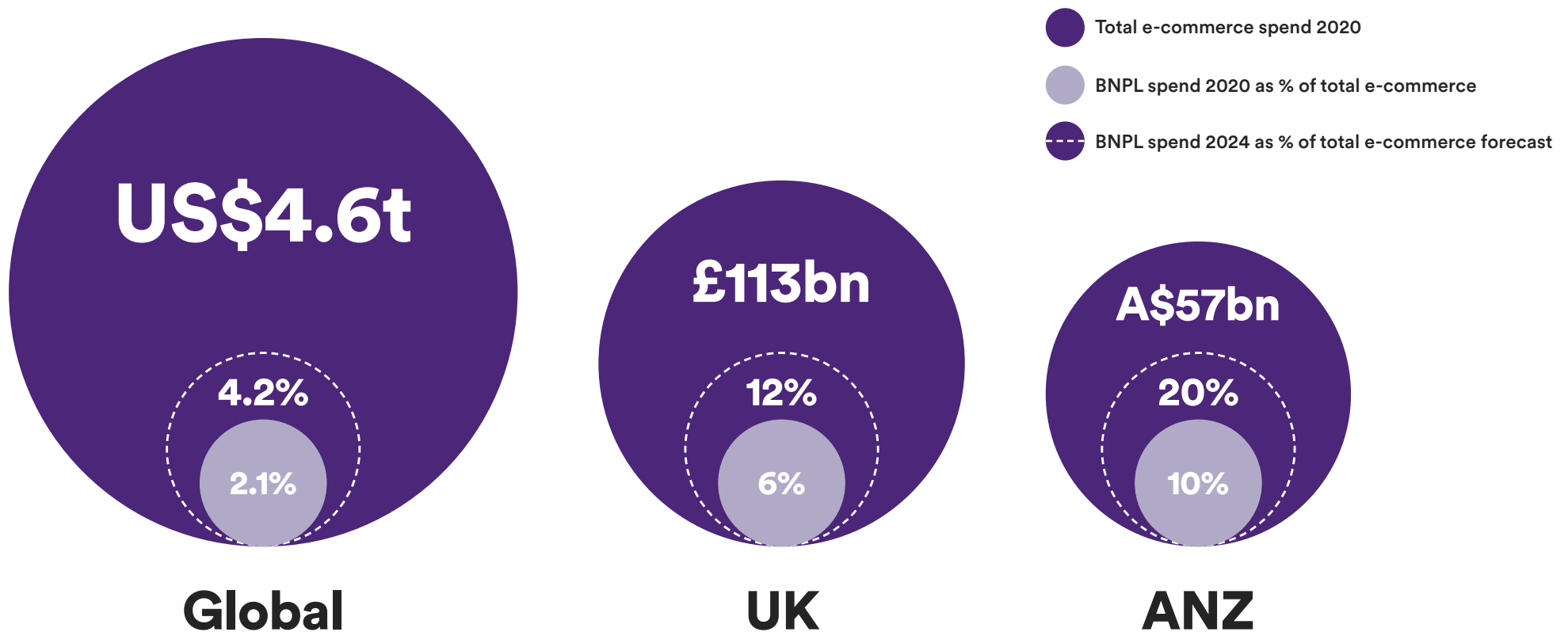


# Strategy and Outlook



# BNPL is still in the early stages of global growth

BNPL as a % of e-com transactions in 2020<sup>1</sup>



<sup>1</sup> According to research from financial services comparison site Finder



# BNPL is still in the early stages of global growth

## Digital wallets

and BNPL continue to absorb share from bank transfers, credit cards and debit cards

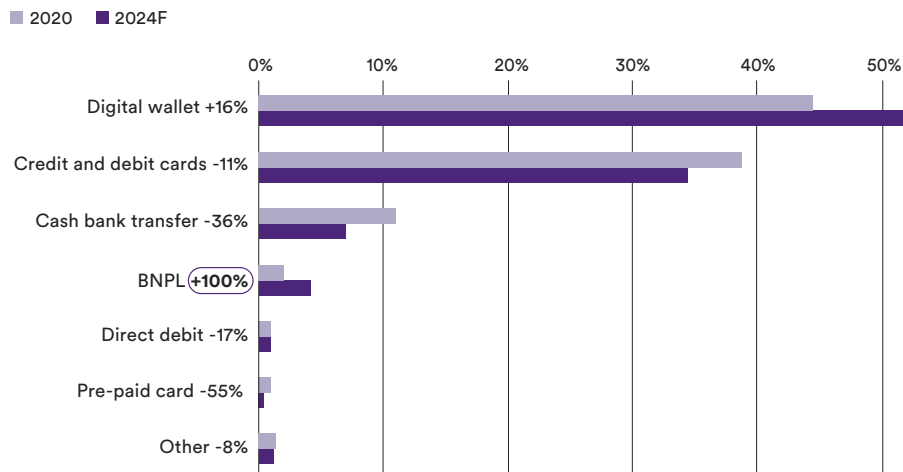
## BNPL

expected to double as a % of total e-commerce by 2024

## ~19.4 million people

in the UK have used BNPL.  
52% of these are using it more since pre-COVID

### Global e-com payment methods<sup>1</sup>



### Merchants

The lure of BNPL is simple: customers spend more.  
**“It increases the basket size and it also reduces dropped baskets”**

### Customer

**Millennial and Gen Z consumers have become accustomed to the flexibility of BNPL in the online checkout**, and more consumers than ever before are seeking these options at their favourite brands in physical stores too

<sup>1</sup> Source: <https://www.paymentscardsandmobile.com/global-payments-report-trends-in-global-payments/>



# Card technology enabling growth

## Tap to Pay

- Seamless in-store checkout
- Enable 1000's of stores instantly
- Laybuy Card found natively in digital wallet
- Omni-channel experience, wherever a customer shops

### Tap to Pay with Laybuy is here.

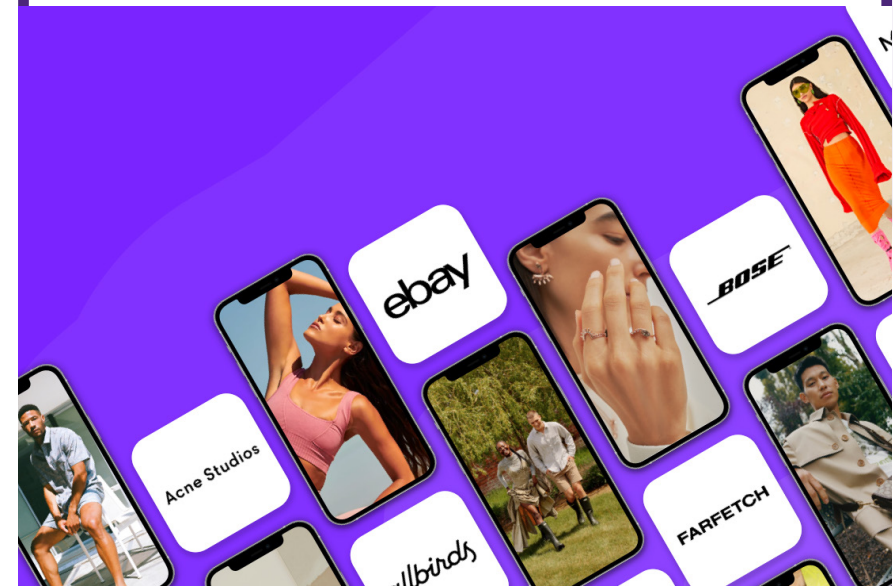
Got the Laybuy app? Pay it in 6 with one tap at selected stores.

The easy way to buy now and pay later just got easier. Tap to Pay with Laybuy at selected stores.



## Laybuy Card

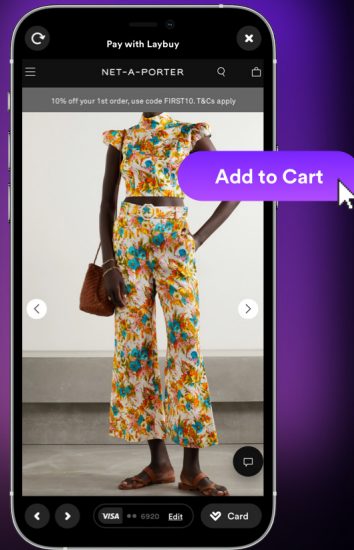
- Access 100's of the worlds best brands
- Virtual Card available exclusively in the App
- New revenue opportunities through affiliate marketing and card interchange
- Rapid deployment into new merchants and verticals
- Ability to scale quickly to 5000+ stores





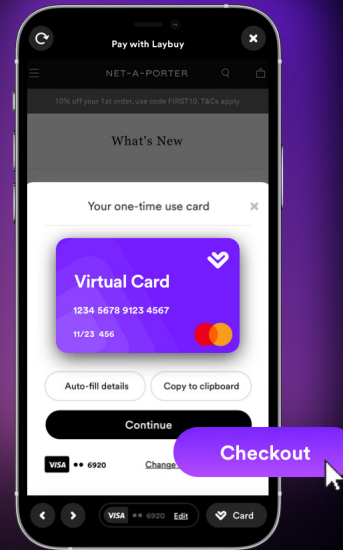


# App Exclusives with hundreds of leading retailers



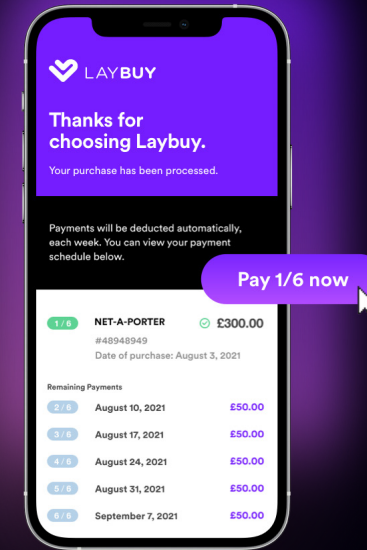
## Step 1: Shop

Okay, we're pretty sure you've got this covered. Simply shop through the Laybuy app and checkout as normal.



## Step 2: Checkout

Select 'Credit/Debit Card' at checkout. Laybuy will fill in your payment details with your virtual card. Easy.



## Step 3: Pay in 6

Your order will be processed like normal, but you'll only be charged for your first instalment today.



# Partnerships with sports clubs

## Official partner

and exclusive  
BNPL provider

## Access

to over a billion fans

## Raising

brand awareness

## Spread the cost

of tickets and  
merchandise over six  
interest-free weeks





# Regulatory Update

**UK**

HM Treasury recently published a new consultation on BNPL regulation, outlining proposed controls. BNPL operators are encouraged to provide responses by January 2022

**AU**

Laybuy remains on watch for developments in changes in regulation in Australia that could impact the BNPL industry

**NZ**

Laybuy is proactively engaged with the Ministry of Business, Innovation and Employment concerning the BNPL industry



# Outlook

## On track

to achieve \$1 billion  
in GMV for FY22

## Accelerate

growth in the UK

## Building

awareness through partnerships  
and affiliate marketing



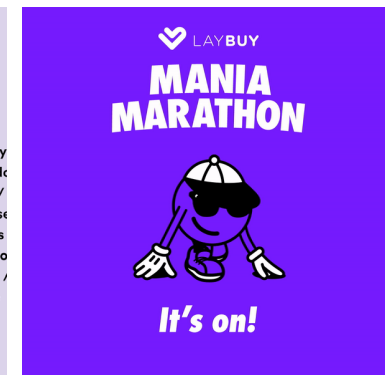
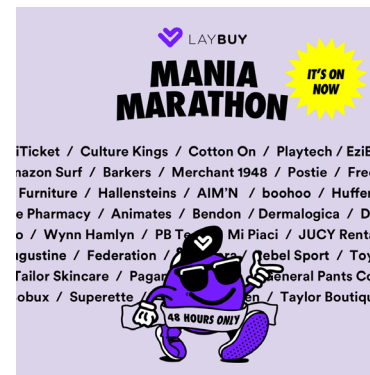
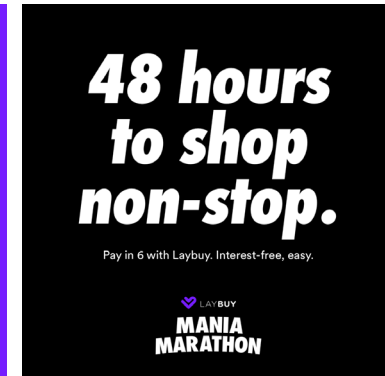


# Laybuy Mania

## October Mania results

(compared to last two Mania events<sup>1</sup>)

- GMV ↗11% and ↗27%
- UK GMV ↗22% and ↗61%
- Average Order Value up ↗15% and ↗23%
- One of our largest merchants saw a 58% increase in Laybuy's share of checkout



<sup>1</sup> October 2021 Mania was a 48 hour event. April 2021 Mania was a 48 hour event for UK, 24 hours for ANZ. November 2020 Mania was a 24 hour event. For comparative purposes, a 24 hour event includes the subsequent trading day's GMV.

# Thank You



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