



Laybuy (ASX:LBY)

Q3 FY22 Results Presentation

27 January 2022





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All numbers are stated in New Zealand dollars (NZ\$) and relate to the three months ended 31 December 2021 (Q3 FY22) and comparisons relate to the three months ended 30 September 2021 (Q2 FY22 or QoQ) or to the three months ended 31 December 2020 (Q3 FY21 or YoY) unless stated otherwise.



Q3 FY22 – Performance Highlights

Record Annualised GMV¹

NZ\$1.1bn

↗ 51% YoY

UK GMV Q3

NZ\$170m

↗ 70% YoY

Quarterly income

NZ\$13.5m

↗ 42% YoY

ANZ GMV Q3

NZ\$105m

↗ 28% YoY

Active Merchants²

12,900

↗ 61% YoY UK ↗ 166% YoY

Active Customers³

930,000

↗ 35% YoY UK ↗ 50% YoY

¹ 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

² 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

³ 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



Executive Summary

Laybuy continues to deliver strong growth across all its markets supported by delivery of key strategic initiatives and growth in active customers and active merchants.

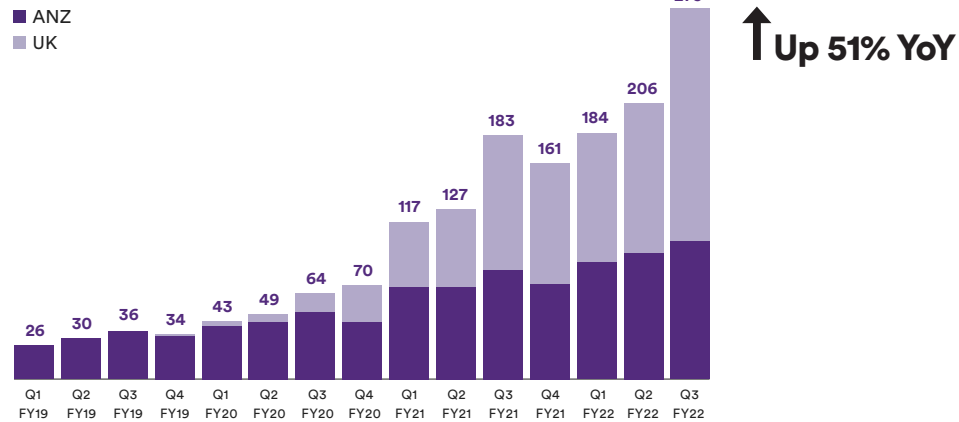
- Record operational performance as annualised **GMV exceeds NZ\$1 billion**
- **Particularly strong December** month in the UK exceeding November cyber sales
- Continued quarterly revenue growth across both the **UK and ANZ, up 42% YoY**
- Success of Laybuy App Exclusives continues to drive strong growth in merchants and customers in the UK, with **over 300 well known brands now available**
- **Implemented operational enhancements** to support continued efficiency and drive strong performance
- On track to meet revised revenue **growth targets for FY22**

GBP and AUD denominated GMV and metrics are converted at the average historical exchange rates for each of the years or quarters
GMV is defined as Gross Merchandise Value and is regarded as a key non GAAP operating metric. Annualised GMV is calculated as quarter GMV multiplied by four
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
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

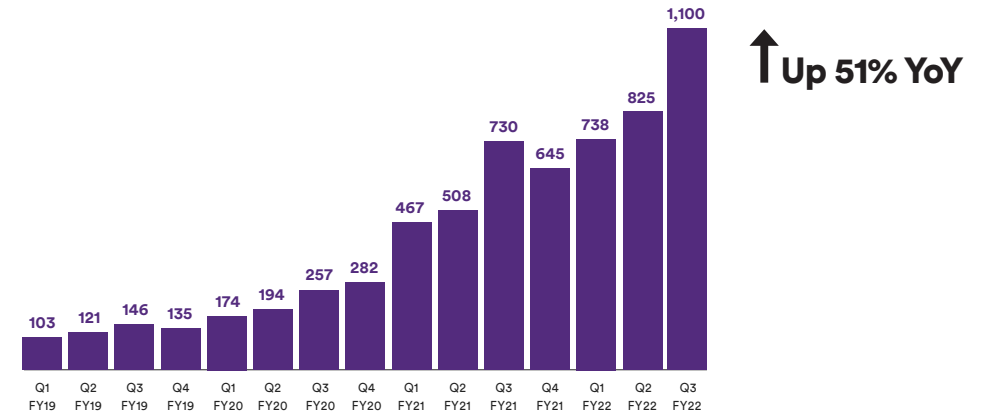


GMV on track to reach the \$1 billion target

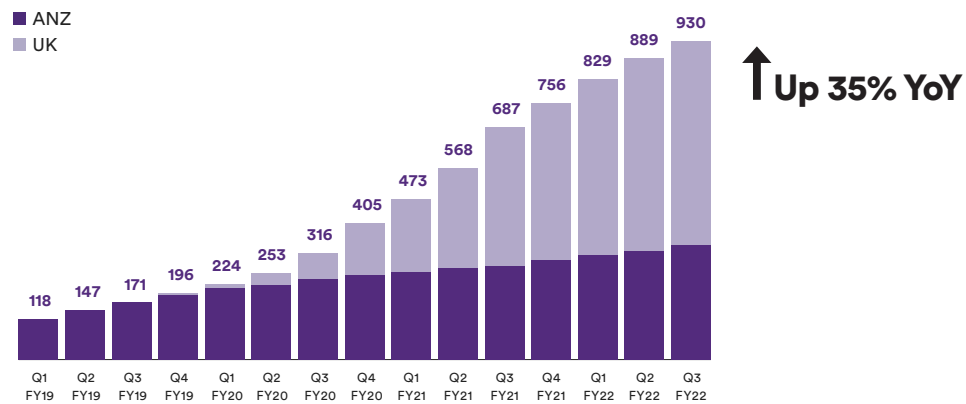
GMV quarterly (NZ\$m)



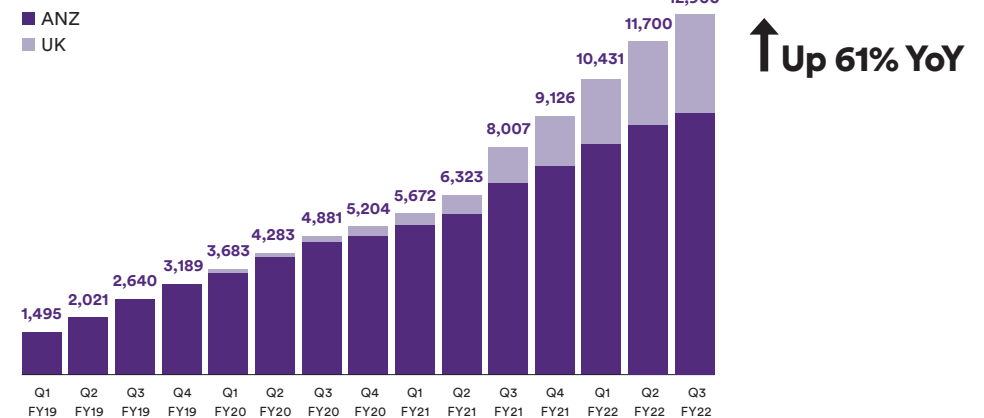
Annualised GMV quarterly (NZ\$m)



Active Customers ('000)



Active Merchants





Regional updates

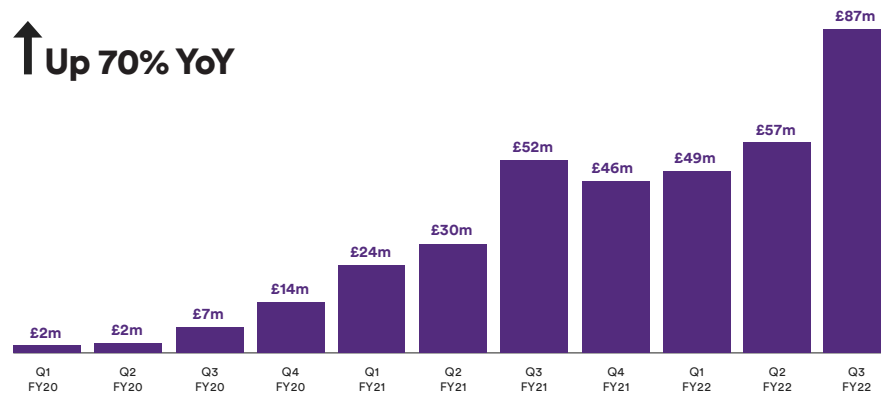




United Kingdom

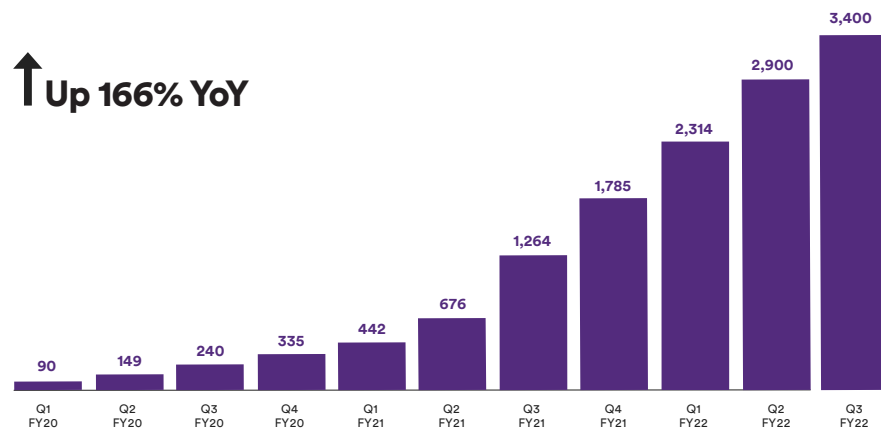
UK quarterly GMV (£m)

↑ Up 70% YoY



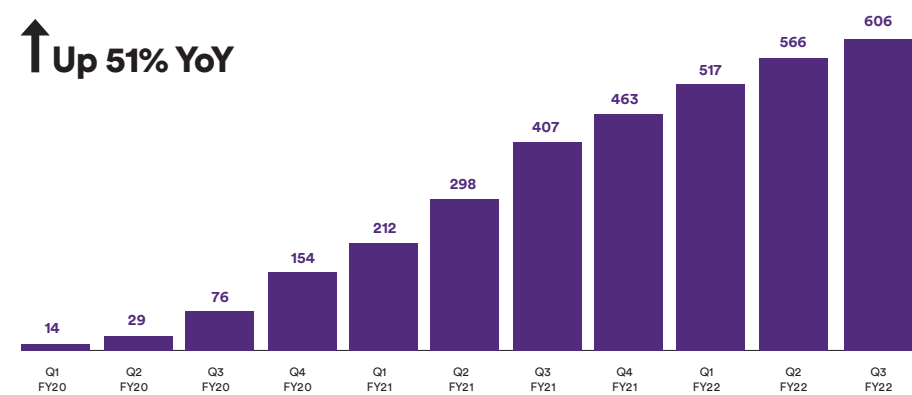
UK active merchants

↑ Up 166% YoY



UK active customers ('000)

↑ Up 51% YoY



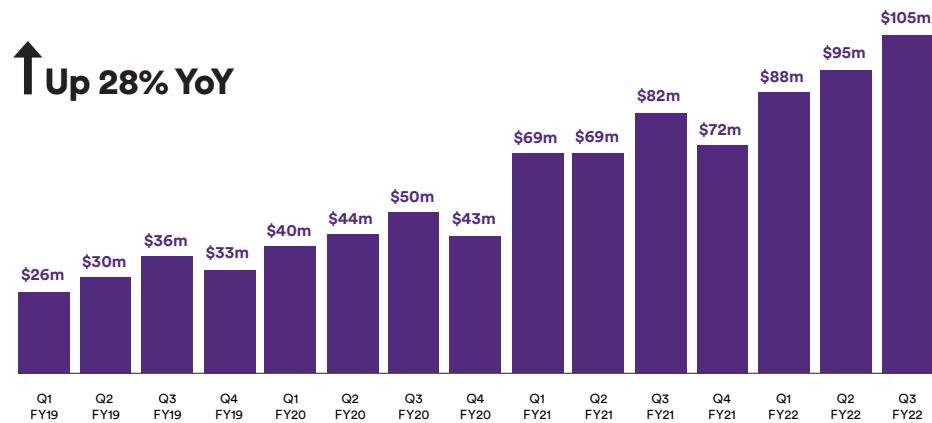
Key Merchants



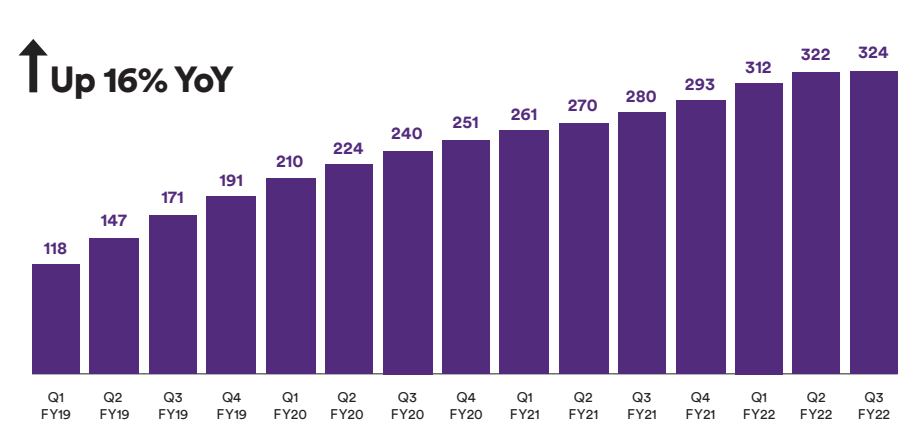


Australia & New Zealand (ANZ)

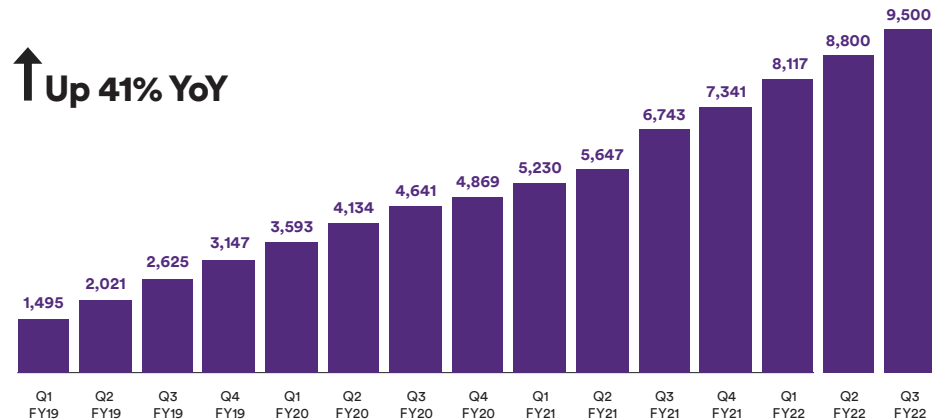
ANZ quarterly GMV (NZ\$m)



ANZ active customers ('000)



ANZ active merchants



Key Merchants





Financial Information

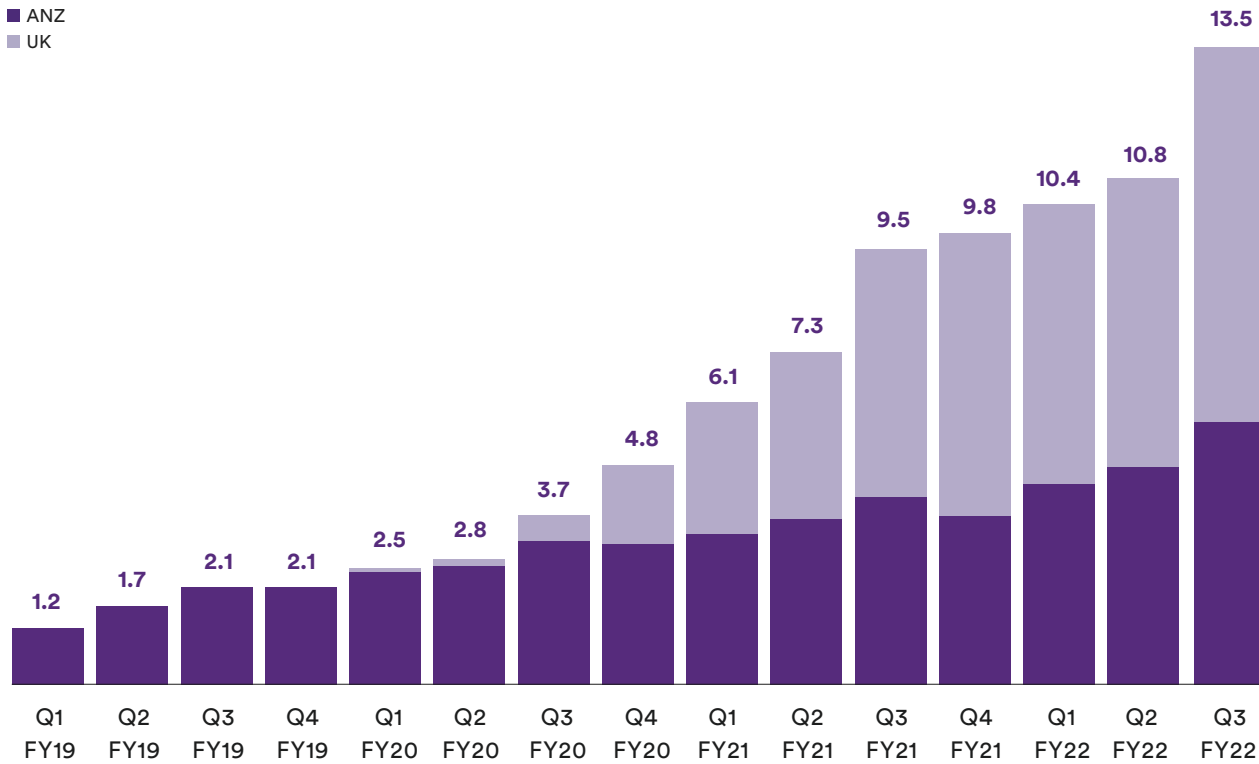




Revenue momentum continues

Income by region quarterly (NZ\$m)

■ ANZ
■ UK



↑ Up 42% YoY



Key financial and operational metrics

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

	Q3 FY22	Q2 FY22	Q3 FY21	% increase QoQ	% increase YoY
Group (NZ\$m)¹					
GMV	\$275m	\$206m	\$183m	33%	51%
Annualised GMV ²	\$1,100m	\$825m	\$730m	33%	51%
Active Customers ³	930,000	889,000	687,000	5%	35%
Active Merchants ⁴	12,900	11,700	8,007	10%	61%
Income	\$13.5m	\$10.8m	\$9.5m	25%	42%
NTM % of GMV	0.0%	1.0%	1.3%	(100bps)	(130bps)
Gross Losses % of GMV	(4.0%)	(3.1%)	(2.8%)	(90bps)	(120bps)
UK (NZ\$m)					
GMV	\$170m	\$111m	\$100m	53%	70%
Annualised GMV	\$678m	\$446m	\$401m	53%	70%
Active Customers	606,000	566,100	407,000	7%	50%
Active Merchants	3,400	2,900	1,264	16%	166%
ANZ (NZ\$m)					
GMV	\$105m	\$95m	\$82m	11%	28%
Annualised GMV	\$421m	\$380m	\$328m	11%	28%
Active Customers	324,000	322,900	280,000	1%	16%
Active Merchants	9,500	8,800	6,743	8%	41%

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

² Annualised GMV multiplies the current quarter by four

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

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

- **Annualised GMV of NZ\$1.1 billion**, up 51% on Q3 FY21, with the UK up 70% YoY
- **Income of NZ\$13.5 million**, up 42% 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 and in particular App Exclusives
- **Net Transaction Margin (NTM) for Q3 FY22** was at break-even as a result of higher instances of fraud in the early part of Q3 in the UK. Initiatives put in place by management resulted in reduced fraud with first time customers in December 2021
- **Active merchants increased** by over 5,000 at almost 13,000 by end of January



Funding our growth ambitions

Partners for Growth

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

Debt facility to support the ANZ loan book

- NZ\$30 million facility
- 80% Loan to Value ratio
- Maturity date July 2023, evergreen facility

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

Facility	Facility limit	Drawn at 31 Dec 2021	Maturity date
Kiwibank	NZ\$30.0m	NZ\$13.1m	July 2023
Partners For Growth	NZ\$58.4m / £30.0m	NZ\$24.5m	October 2024
Total	NZ\$88.4m	NZ\$37.6m	



Strategy and Outlook



Continuing to deliver on our Strategic Plan



Increase market share in already established markets

Laybuy will continue to improve its penetration in existing industries and sectors through co-branded marketing campaigns. It will also look to continue expanding in the health, beauty, digital, travel and ticketing verticals and grow merchant partners through its Global Partner programme.



Accelerate growth in the United Kingdom

Laybuy will continue to target large, influential merchants in the UK to drive scale, network effects and brand recognition. Laybuy will then use its customer base and exclusive relationships to target SMEs through its partnership programme to diversify its retailer base and increase average commissions.



New Laybuy platform enhancements to drive network effects

Laybuy will continue platform enhancements to improve operational efficiencies, as well as merchant and customer experience, supported by a strong focus on increasing user engagement and repeat purchases through improvements to the Laybuy app.



Growth in established markets - ANZ

Heath & Beauty



Travel



Ticketing



New in Q3

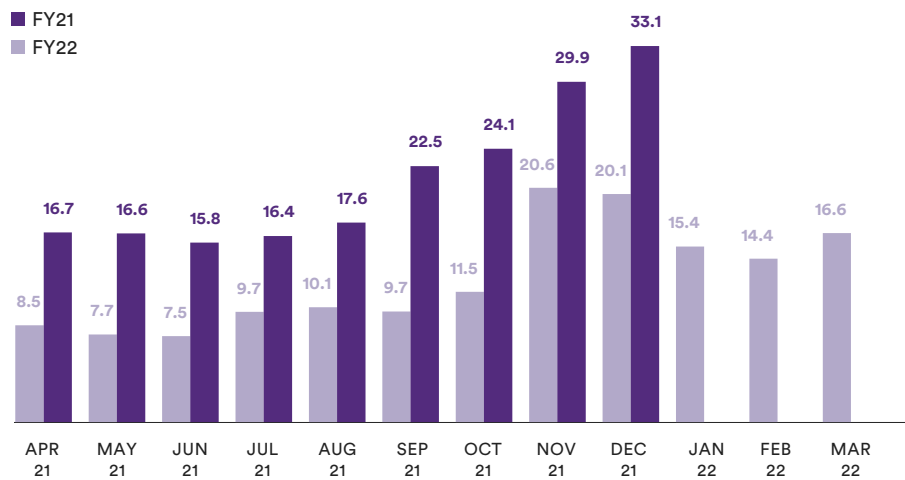




Strong growth in our focus market - UK

The UK market continues to gain momentum, with December exceeding the traditional peak month of November. New merchants for Q3 include GAP, Timberland, River Island, UKSoccershop and Bodybuilding Warehouse.

UK Monthly GMV (£ million)



App Exclusives

- Repeat customers 73% compared to 63% for UK direct channel
- Over 600,000 purchases to date
- Purchase frequency 14.7x per year
- Over 300 merchants are now live including Amazon, River Island, Sports Direct, Microsoft, Timberland, Lego



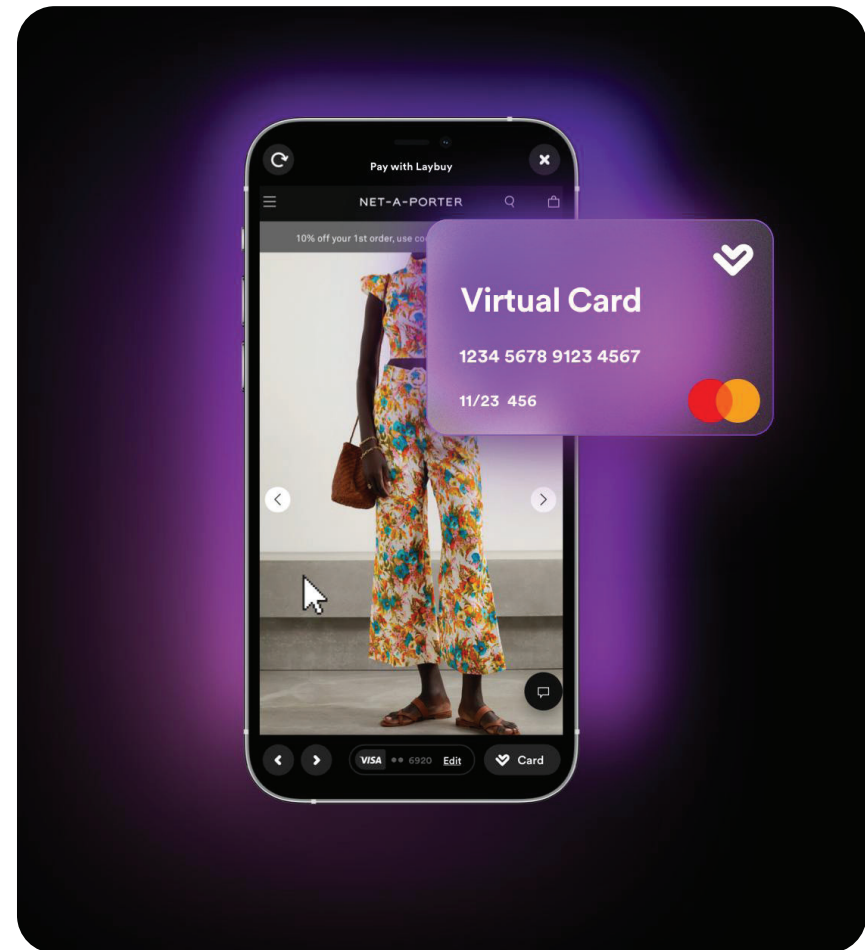
RIVER ISLAND





Platform enhancements and operational efficiencies

- Tap to Pay in-store solution continues to drive GMV, doubling volume in Q3 compared to Q2
- App Exclusives continued to super-charge UK growth, with the virtual card using Mastercard/EML's technology driving customer growth, purchase frequency and access to well known merchants
- Launched a virtual customer service assistant, Hugo. The automated bot is powered by Ambit and is Laybuy's new digital employee
- Achieved PCI DSS Level 1 – significant validation of our efforts around security and data protection
- Established global internal Site Reliability Engineers team to improve operational engineering efficiencies 24/7
- Initiatives put in place to combat fraud, resulting in strong downward trends





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

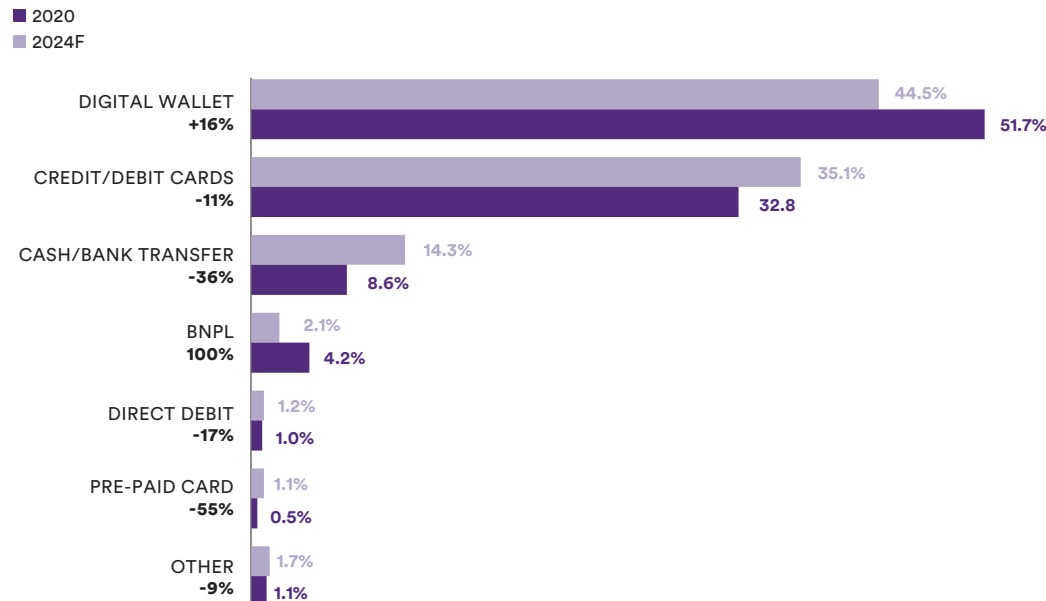
BNPL

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 methods¹



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

Regulatory Framework

Australia, NZ and the UK are well advanced in their regulatory framework versus the US

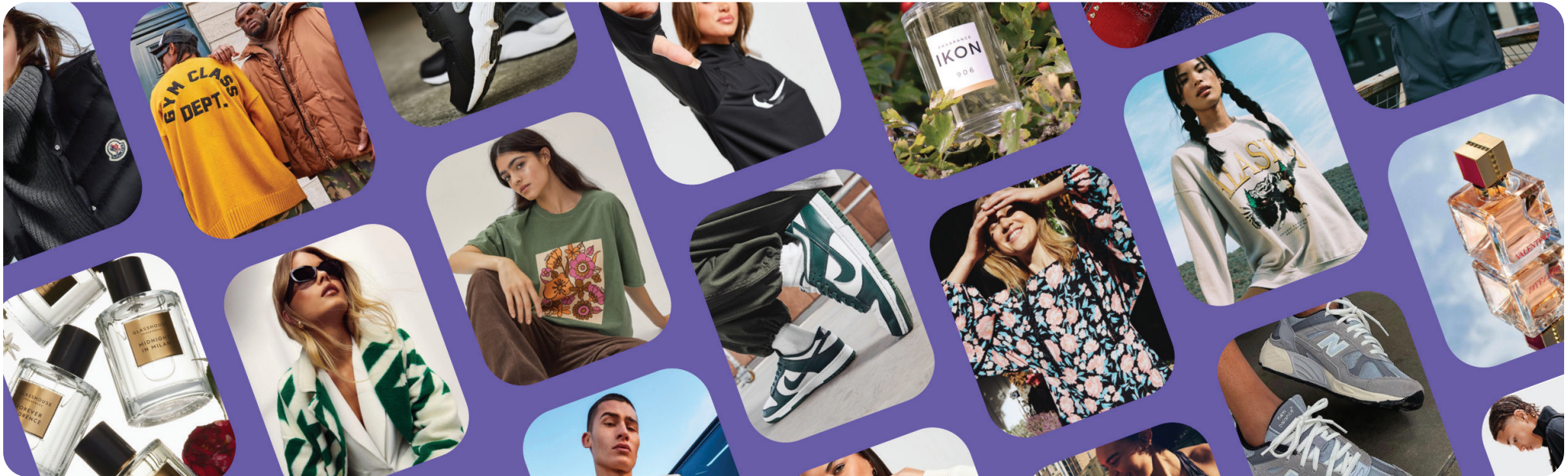


Regulatory Update

- Laybuy has formally submitted a response to consultation documents released in late 2021 by both HM Treasury (UK) and MBIE (NZ)
- These outline a series of options around regulation of the sector
- Laybuy has met with various officials to discuss how Laybuy works and proposed regulation
- Laybuy remains supportive of enhanced, but proportionate, regulatory frameworks to protect vulnerable consumers
- Laybuy already has a strong system in place, including verifying vulnerable customers



Outlook



Achieved

annualised GMV target of NZ\$1 billion, and on track to achieve revised revenue target

Accelerate

growth in the UK and drive our position in the market

Regulation

We remain confident our business model will align to changes in regulation

New opportunities

underway, including a new Ad offering within the Laybuy App

Thank You



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