

# Pushpay 2022 Annual Results Announcement

**Auckland, New Zealand | Redmond, Washington; Colorado Springs, Colorado; Plano, Texas, US – 11 May 2022 (NZT)**

## *Summary of key points:*

- Positive growth performance with continued year-on-year uplift in operational and financial metrics despite economic and sector headwinds
- Underlying EBITDAF<sup>1</sup> of US\$62.4 million, in line with guidance for the year ended 31 March 2022
- Strong increase in Customer numbers (+31%, 14,508) and Operating Revenue (+13%, US\$202.8 million) driven by organic initiatives and acquisition of Resi Media
- Reset of go-to-market strategy in FY22 and ongoing investment into the business and talent in FY23 is expected to deliver significant medium-term growth
- Guidance for FY23 is double digit annual operating revenue growth of between 10% and 15%, and Underlying EBITDAF of between US\$56.0 million and US\$61.0 million, reflecting investment in growth opportunities
- Strong growth outlook from FY24 onward with Pushpay expecting >US\$10 billion of Total Processing Volume and more than 20,000 Customers for the year ending 31 March 2025

Pushpay Holdings Limited (NZSX:PPH, ASX:PPH, 'Pushpay' or 'the Company') is pleased to present its financial results for the year ended 31 March 2022 (FY22) and its 2022 Annual Report. This announcement should be read in conjunction with, and is subject to, Pushpay's 2022 Annual Report.

Pushpay continued its positive growth performance, welcoming new Customers, increasing the number of Products utilised by Customers and delivering solid financial results over the 2022 financial year. The Company delivered on its Underlying EBITDAF guidance for the year ended 31 March 2022 and has reported revenue growth and net profit growth over the period, whilst maintaining sustainable margins and underlying operating metrics.

Molly Matthews, CEO, said, "Pushpay's long-term growth strategy is focused on four areas - growing Customer numbers, increasing the number of Products utilised, expanding and enhancing Pushpay's suite of products, and increasing share of wallet. Significant progress has been made executing against strategic priorities in each of these areas, setting the foundation for escalating growth in future years.

"A number of initiatives were implemented during the year to respond to market headwinds, including to refresh and strengthen Pushpay's go-to-market strategy and investment in talent and capability. A key highlight during the 2022 financial year was the acquisition of a leading video streaming provider, Resi Media in August 2021, which provides significant value and growth opportunities.

"Pleasingly, we are now seeing benefits from these actions, with the full benefits to be seen from FY24 onwards following a further year of investment, particularly in people and capability, in FY23."

## *FY22 key performance highlights:*

FY22 results reflect seven months of Resi Media following its acquisition in August 2021.

- Welcomed 3,409 net new Customers, of which 2,858 were added at the date of acquisition of Resi Media; increased total Customer base from 11,099 to 14,508 with growth across small, medium and large Customer segments. While this represented a positive year-on-year increase, FY22 was a soft period with net new Customers and go-to-market performance lower than internal expectations.
- Total Processing Volume increased by 10% to US\$7.6 billion. Positive year-on-year increases in processing volume performance were seen in each trading month of the 2022 financial year.

- Exceeded US\$200 million operating revenue milestone, with operating revenue increasing by US\$23.7 million to US\$202.8 million, an increase of 13% year-on-year. Excluding Resi Media, Pushpay increased operating revenue by 6% from US\$179.1 million to US\$190.6 million.
- Annual Revenue Retention Rate remained above 100% over the last five comparable periods ended 31 March.
- Gross margin remained consistent with the previous year at 68%.
- Increase in operating expenses of 28% to US\$83.4 million primarily due to the inclusion of Resi Media and increasing investment in people.
- Underlying EBITDAF increased by US\$4.6 million to US\$62.4 million, an increase of 8% over the year. Excluding the costs associated with the investment into the Catholic initiative, Pushpay achieved Underlying EBITDAF of US\$64.5 million.
- Net profit after tax increased by US\$2.2 million to US\$33.4 million, an increase of 7% over the year.
- Strong positive cash flow, generating US\$61.5 million in operating cash flows. Bank debt, obtained to fund the Resi Media acquisition, reduced from US\$90.0 million to US\$54.0 million as at 31 March 2022, resulting in net debt reducing to US\$47.2 million.

### *Execution of strategy*

Over the 2022 financial year, Pushpay made good progress executing on its strategic priorities despite headwinds including a shift in software buying behaviour and consolidation of churches in the small segment; COVID-19 disruption; and an increasingly competitive labour market.

In response to these challenges, Pushpay reviewed and adapted its go-to-market strategy to address operating conditions, appointed a new Chief Growth Officer to drive customer numbers and is positioning the Company to drive future growth opportunities. In particular, a significant and deliberate investment has been made into expanding Pushpay's talent pool and building capability, particularly product design and development headcount (up 75% year on year including Resi Media), as well as sales, marketing and customer success roles. The leadership team was also strengthened with a number of strategic appointments.

### *Catholic segment opportunity*

The Company has completed its first year of investment into the Catholic segment opportunity and development plans are on track. The 2022 financial year served as a key period of initial investment with the focus on establishing relationships and increasing engagement with key stakeholders within the Catholic segment.

Pushpay made significant progress executing against product development and talent plans, attracting new Catholic parishes and further developing partnerships. Pushpay's Catholic product brand for the Pushpay suite of solutions, ParishStaq, was introduced at the 2021 International Catholic Stewardship Conference and formally launched in January 2022. As planned, Pushpay invested US\$3.2 million into the Catholic initiative in 2022, of which US\$1.1 million was capitalised, and developed our Catholic-specific team headcount to 34 people.

As at 31 March 2022, Pushpay serves 173 Catholic parishes and looks forward to welcoming additional customers in the current financial year as it continues to execute on its longer-term expansion strategy.

### *Resi Media acquisition*

In FY22, Pushpay strengthened its value proposition by completing the strategic acquisition of 100% of Resi Media for US\$150 million in cash and Pushpay shares, which included US\$9 million equity issued under a restricted share agreement to the vendors, effective 25 August 2021. Resi Media's offerings comprise live streaming services to web, social media, mobile apps and other locations, and multisite streaming which delivers video to remote locations.

The addition of Resi Media will help enable the Company to attract customers across multiple segments while providing the ability to realise material synergy opportunities through product cross-referrals and integration

with Pushpay's sales and marketing engine. Over FY23, Pushpay will be focusing on further integrating Resi Media into the business and realising sales and marketing synergies to integrate Resi Media's solutions with existing Pushpay Customers and vice versa.

### *Looking forward*

As Pushpay implements its strategies, it expects to see a continued uplift in financial performance by growing Customer numbers; increasing the number of Products utilised by each Customer; further expanding and enhancing Pushpay's suite of solutions; and increasing Pushpay's share of wallet.

FY23 will be a further year of investment to drive growth opportunities and enable future scale, with escalating returns expected from FY24 as growth opportunities are realised. In particular, Pushpay is investing in resources and capability to drive the Catholic, Resi Media and other growth initiatives.

In FY23, the Company is expecting to deliver double digit annual operating revenue growth of between 10% and 15%, and Underlying EBITDAF of between US\$56.0 million and US\$61.0 million, reflecting continued investment to capture growth opportunities.

Strong growth is expected from FY24 onwards with significant revenue growth and increasing profitability. Pushpay is expecting greater than US\$10 billion of Total Processing Volume and more than 20,000 Customers for the year ending 31 March 2025.

Chair of Pushpay, Graham Shaw, commented: "After many years of building our business and with the recent expansion of Pushpay through two significant acquisitions, we are now focused on developing our business for the future and are investing in targeted strategic growth initiatives, in particular entry into the Catholic segment, Resi Media and other growth initiatives. This investment will continue through FY23, with escalating returns expected from FY24.

"The unique opportunity ahead for Pushpay remains significant and we see substantial room for growth. We are focused on growing Underlying EBITDAF faster than revenue, and we will continue to invest to build our share of existing and new market opportunities and take advantage of the significant pipeline ahead of us. We are confident we have a clear strategy and strong leadership in place to continue delivering value for our Customers and our shareholders."

### *Expressions of Interest*

As previously disclosed, Pushpay has received unsolicited, non-binding and conditional expressions of interest or approaches from third parties looking to acquire the Company. The Board has appointed Goldman Sachs to assist as financial advisor. There is no certainty that these expressions of interest or approaches will result in any transaction.

### *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 2022.

#### **Pre-registration**

There is no pre-registration required for the conference call however it is recommended that participants pre-register for greater convenience by following the link, [here](#).

Pre-registered attendees will receive a calendar invite with the conference call details, a designated dial-in number and a unique five-digit access PIN.

#### **Dial-in details**

New Zealand: 0800 453 055

All countries: +64 9 929 1687

Conference ID: 10020635

## Playback details

Replay of the Annual Results Investor Briefing will be available for 30 days following the completion of the call.

New Zealand: 0800 886 078

All countries: +64 9 929 3905

Replay Pin: 10020635

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- 1 Underlying Earnings before Interest, Tax, Depreciation, Amortisation and Foreign currency gains/(losses) (Underlying EBITDAF) – is a non-GAAP financial measure calculated as EBITDAF excluding one-off changes as well as costs and IFRS accounting adjustments relating to acquisitions. This includes cash and non-cash expenses such as transaction costs, expensing of the restricted shares provided to the vendors as part of any transaction and fair valuing of unearned revenue acquired on acquisition. The Group believes that this measure provides a more appropriate representation of the Group's performance. Underlying EBITDAF is consistent with the previous definition of Underlying EBITDAFI which has been updated to remove Impairment from the definition. As there has been no historical impairment, this does not change the previously reported numbers.

## Contact

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This announcement is authorised by the Board of Directors of Pushpay Holdings Limited.

## About Pushpay

Pushpay provides a donor management system, including donor tools, finance tools and a custom community app, a church management system (ChMS), and video streaming solutions to the faith sector, non-profit organisations and education providers located predominantly in the United States (US) and other jurisdictions. Our leading solutions simplify engagement, payments and administration, enabling our Customers to increase participation and build stronger relationships with their communities.

Church Community Builder and Resi Media LLC (Resi) are subsidiaries of Pushpay Holdings Limited. Church Community Builder provides a Software as a Service (SaaS) church management system that churches use to connect and communicate with their community members, record member service history, track online giving and perform a range of administrative functions. Resi is a high growth SaaS company that provides end-to-end live video streaming solutions enabled by hardware products predominantly to the faith sector, whilst also servicing commercial, nonprofit organisations and education providers in the US.

Pushpay is an award-winning company. For more information visit [www.pushpay.com/investors/awards](http://www.pushpay.com/investors/awards).

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