



LAYBUY

Laybuy (ASX:LBV)

Q2 FY23 Results

02 November 2022

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All numbers are stated in New Zealand dollars (NZ\$) and relate to the quarter ended 30 June 2022 (Q1 FY23) or the year ended 31 March 2022 (FY22).

Comparisons relate to the quarter 30 June 2021 (Q1 FY22 or prior comparative period, "PcP") or the year ended 31 March 2021 (FY21 or year on year, "YoY") unless stated otherwise.

Q2 FY23 Highlights

in New Zealand Dollars

Income

\$14.5m

↗ 28% QoQ

Net Transaction Margin (NTM)

4%

↗ 260% bps QoQ

EBITA (% of GMV)

-1.3%

↗ 270bps QoQ

Gross Losses (% GMV)

1.5%

↗ 130bps QoQ

UK Default Rate (% of GMV)

2.39%

↗ 277bps PcP

GMV Per Customer

\$507

↗ 14% PcP



Our Strategy to Achieving Profitability



Saving to invest

We will work continually across the business to identify areas where we can improve efficiencies, reduce costs and reprioritise spending so that we are investing in those areas that deliver a strong return on investment and support our pathway to profitability.



Increasing our quality customers and merchants

We will increase and retain quality customers and partner with the right merchants in the right verticals. We will tighten our approach to credit risk and will focus on those merchants who are best able to support our growth and who are the least likely to attract fraudulent activity.



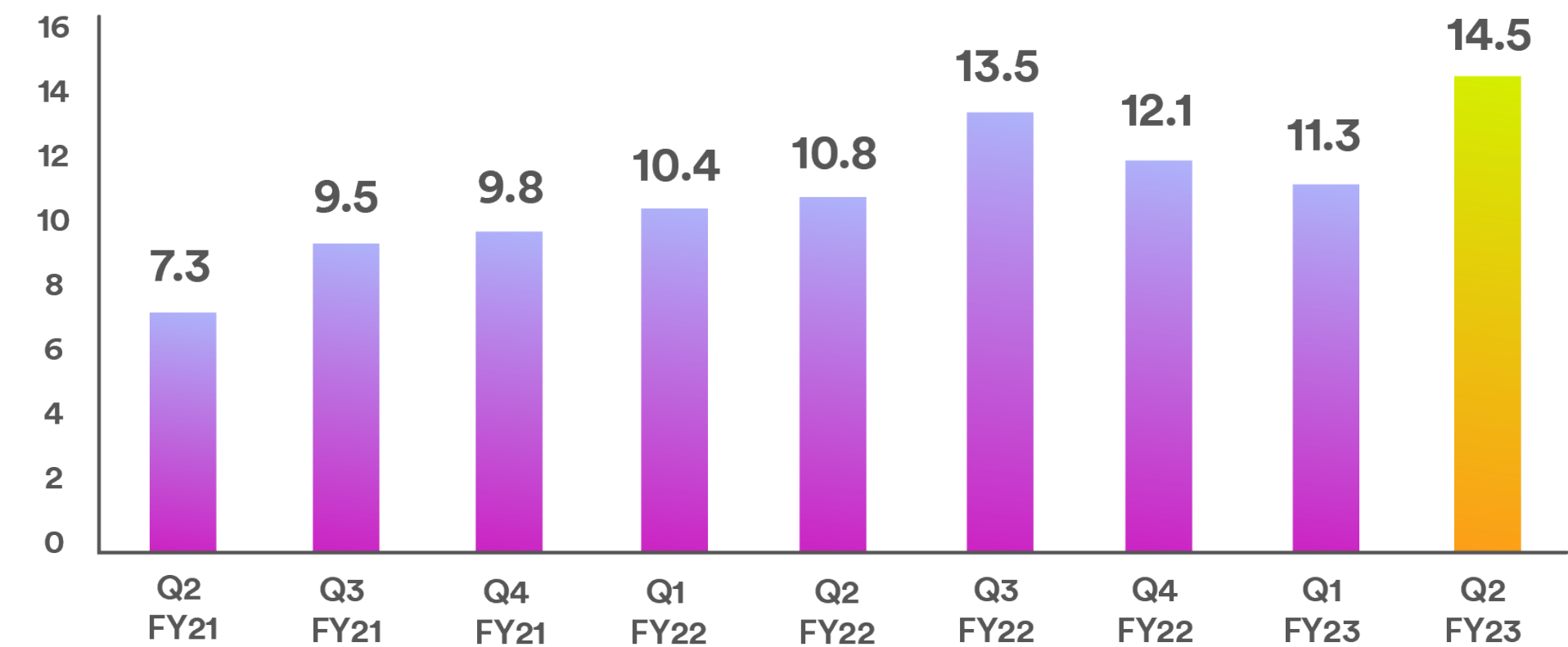
Reducing fraudulent activity

We will continue to take proactive action to improve the security of our platform, including investing in fraud prevention and intelligence software.

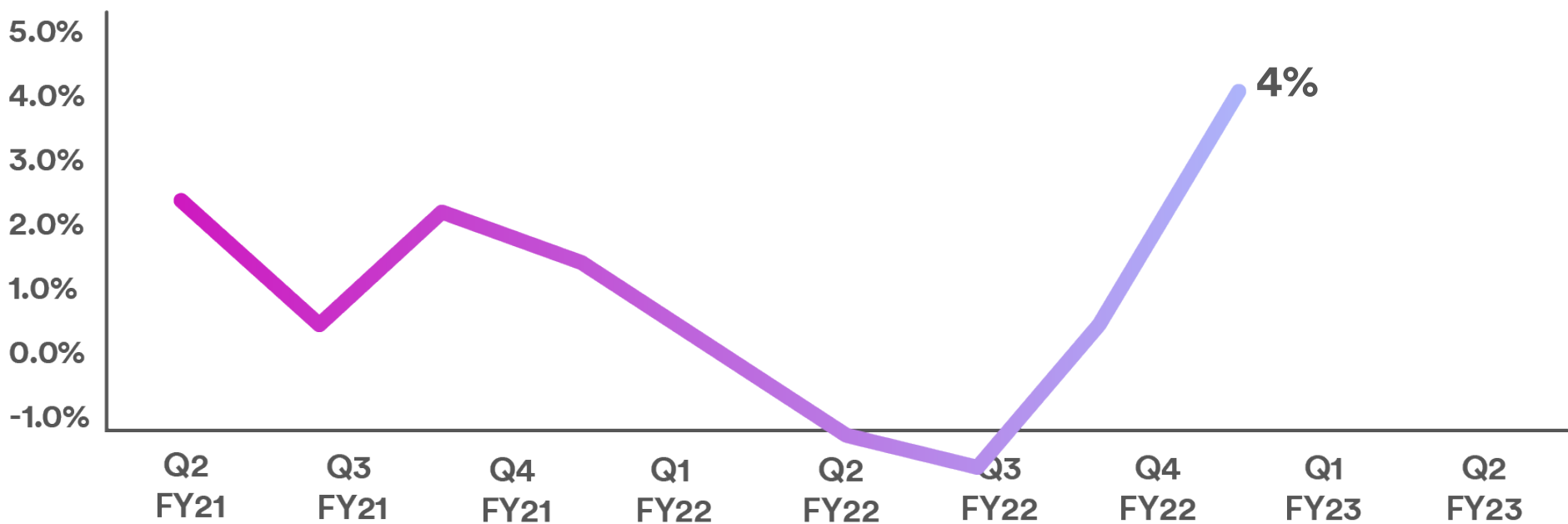
Q2 FY23 Key Metrics

Strong Growth in Income, NTM and EBITA

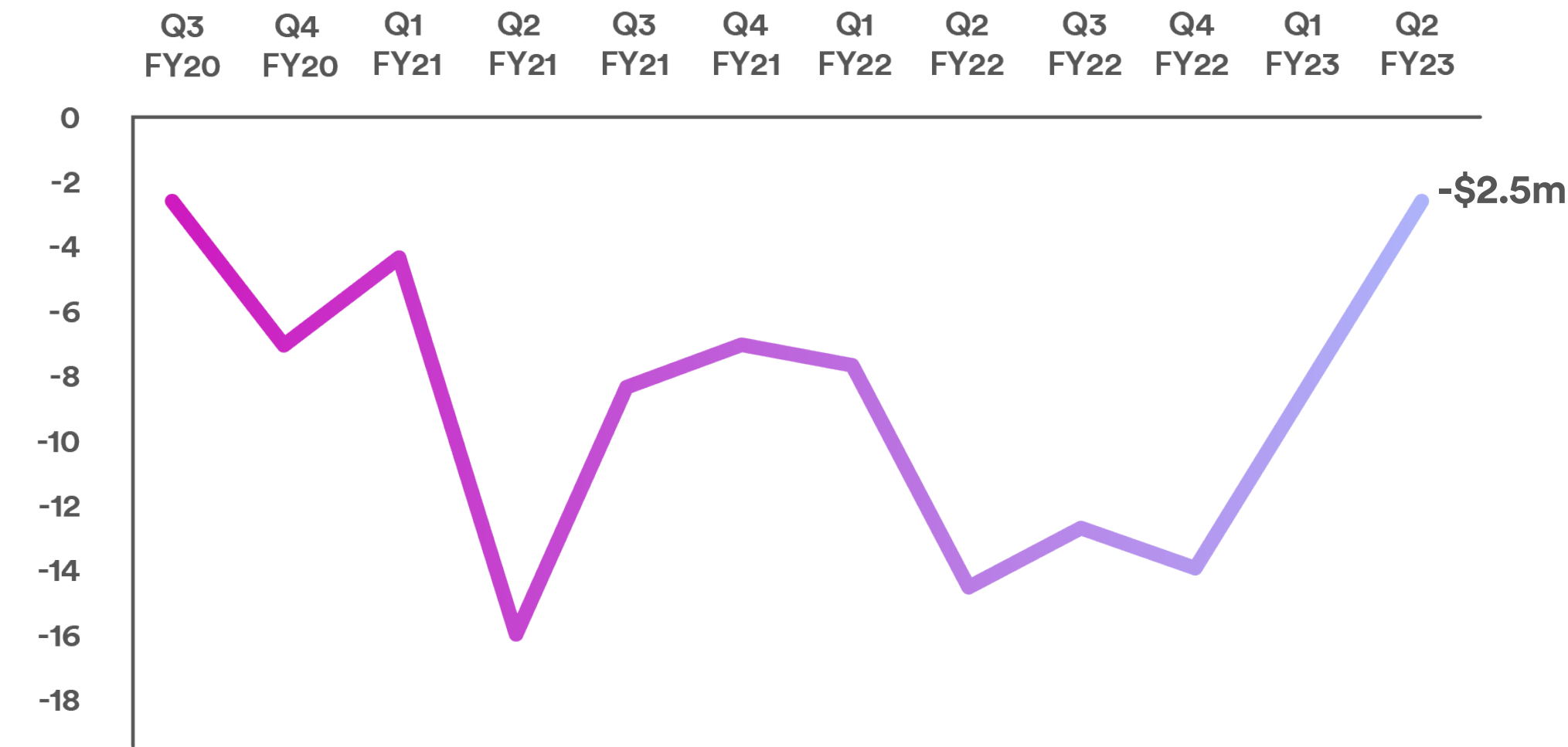
Quarterly Group Income



Quarterly NTM



Operating EBITDA (\$m)

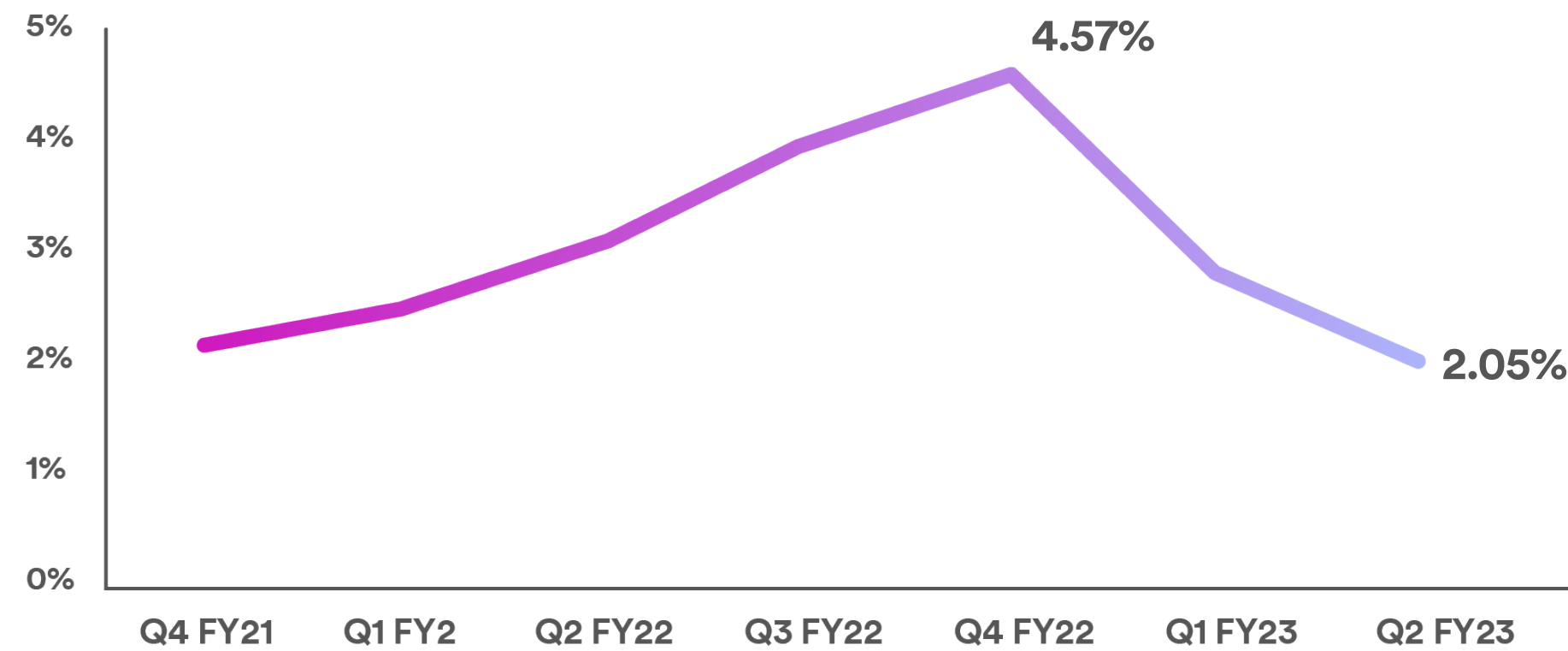


Operating EBITDA (% GMV)

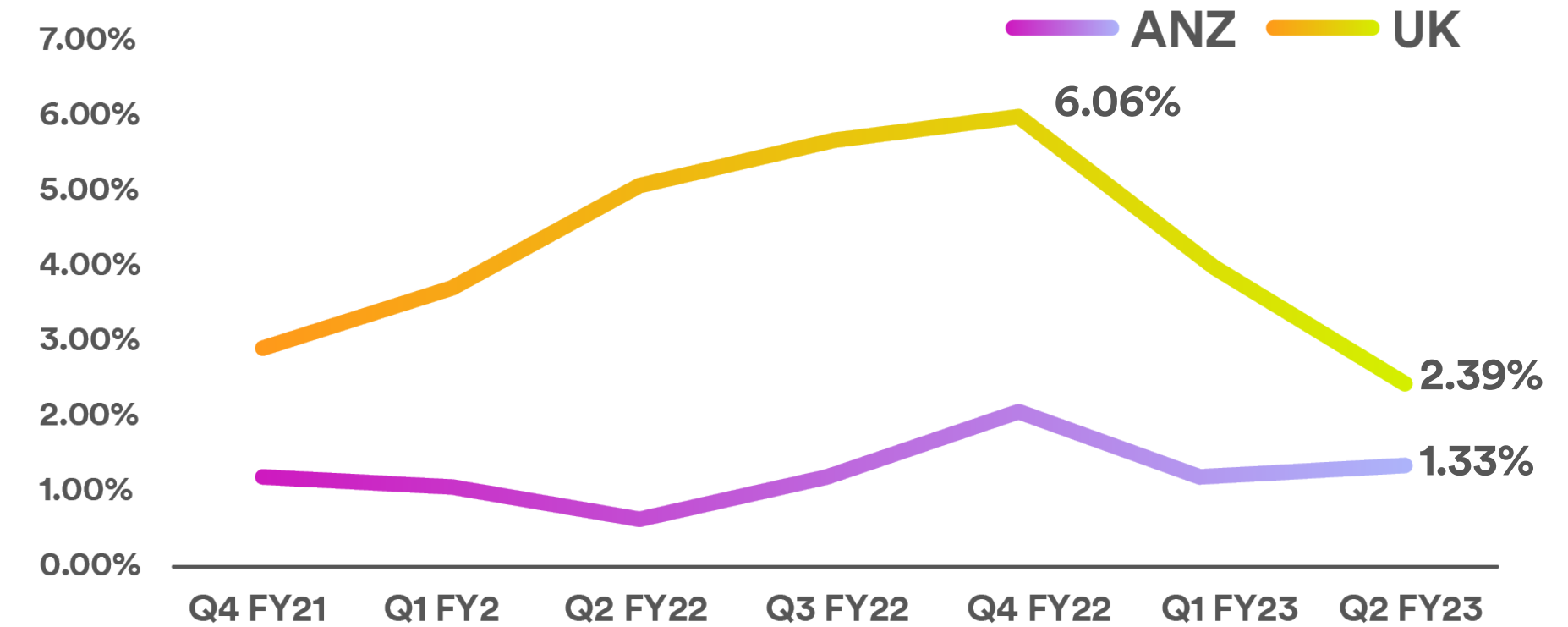


An improving customer base and falling defaults

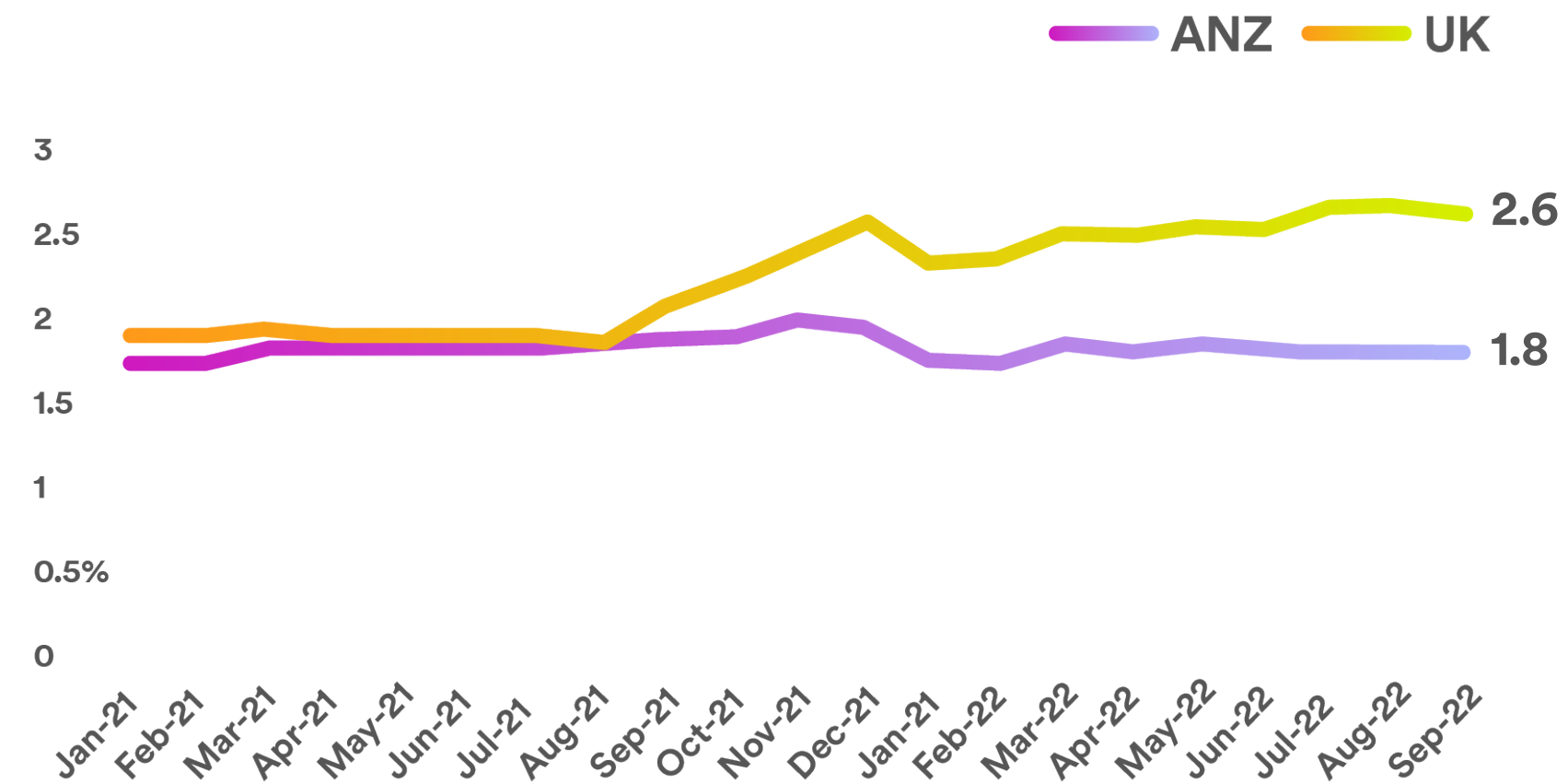
Group Default Rate (% of GMV)



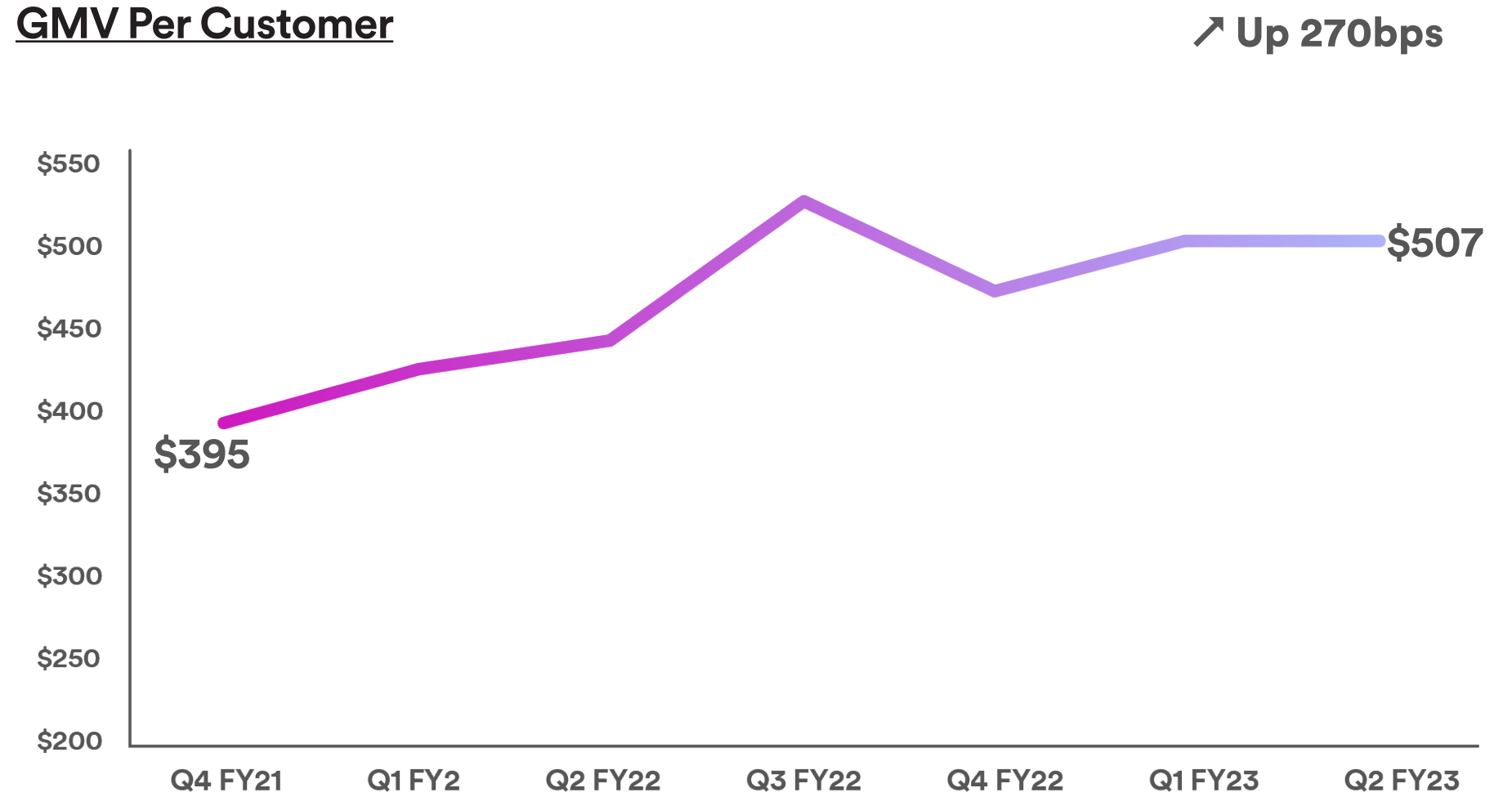
Default Rate by Region (% of GMV)



Orders Per Active Customer

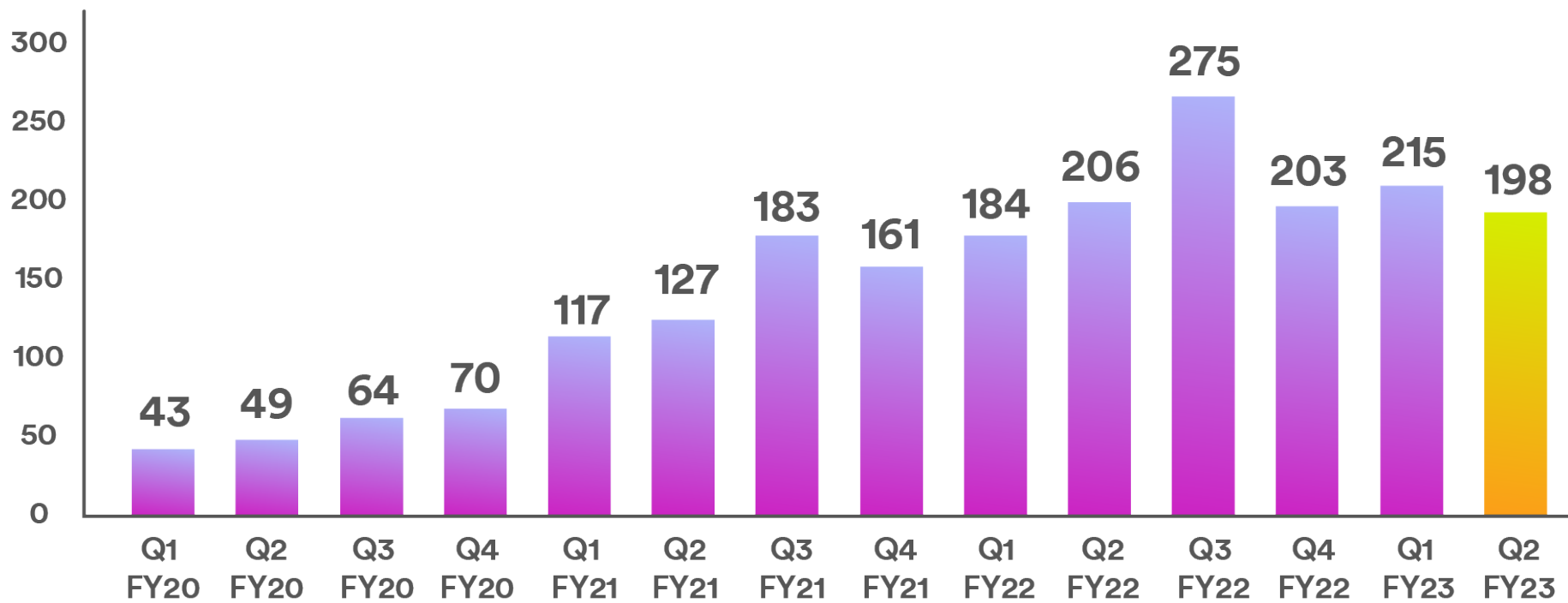


GMV Per Customer

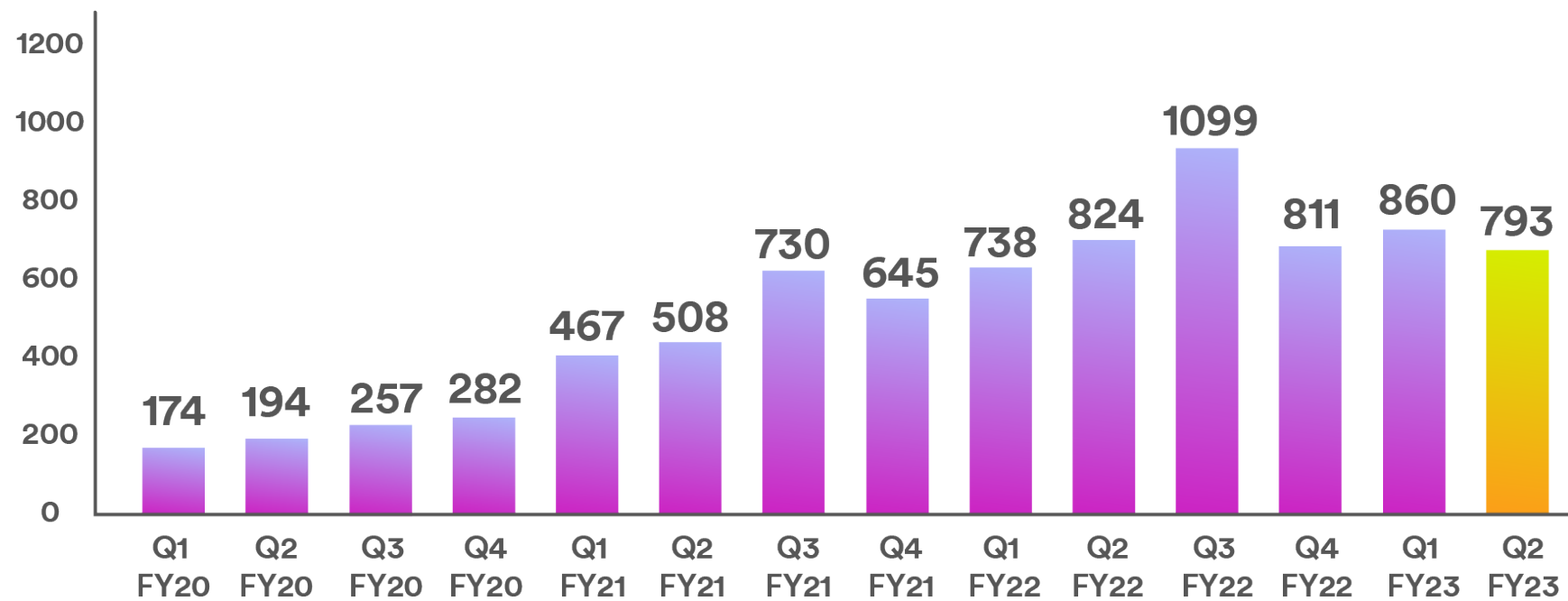


Stabilising GMV despite a challenging retail environment

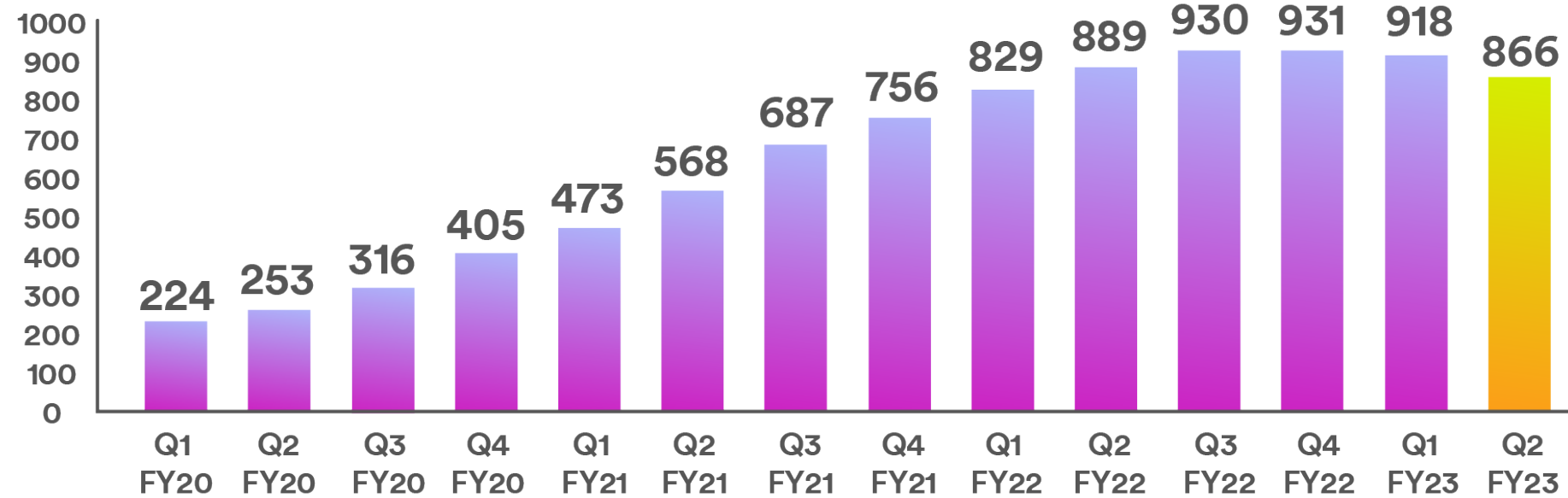
Quarterly GMV (\$m)



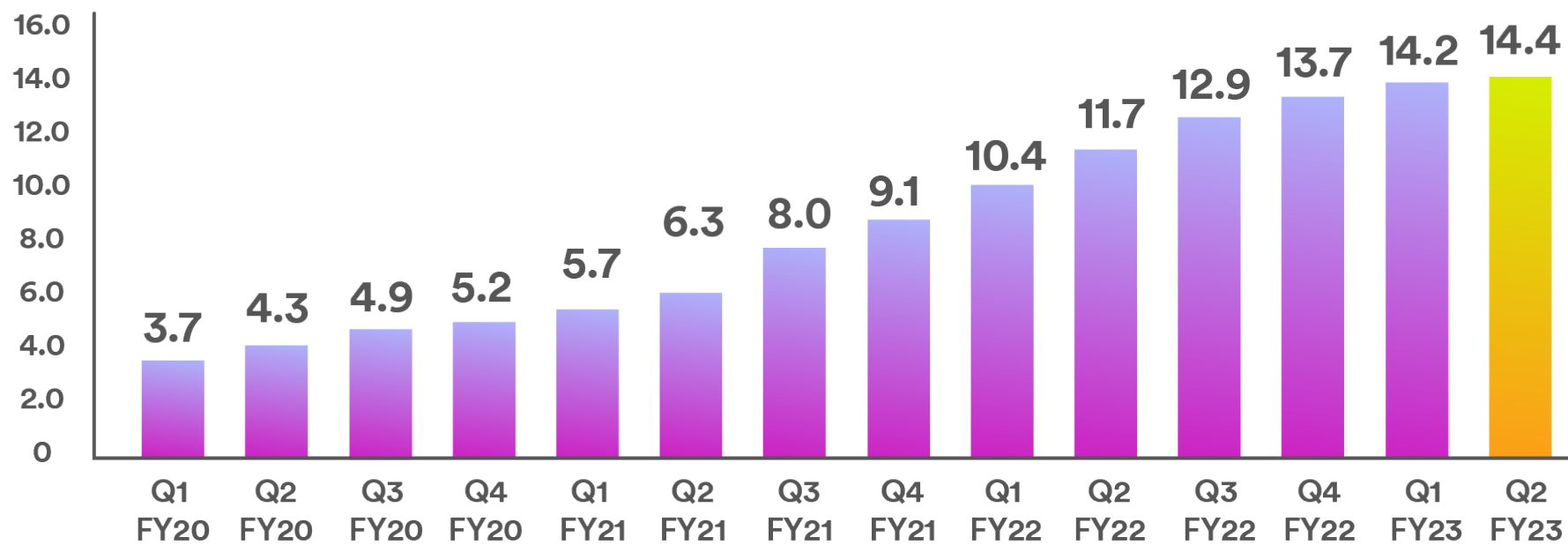
Annualised GMV (\$m)



Active Customers ('000)

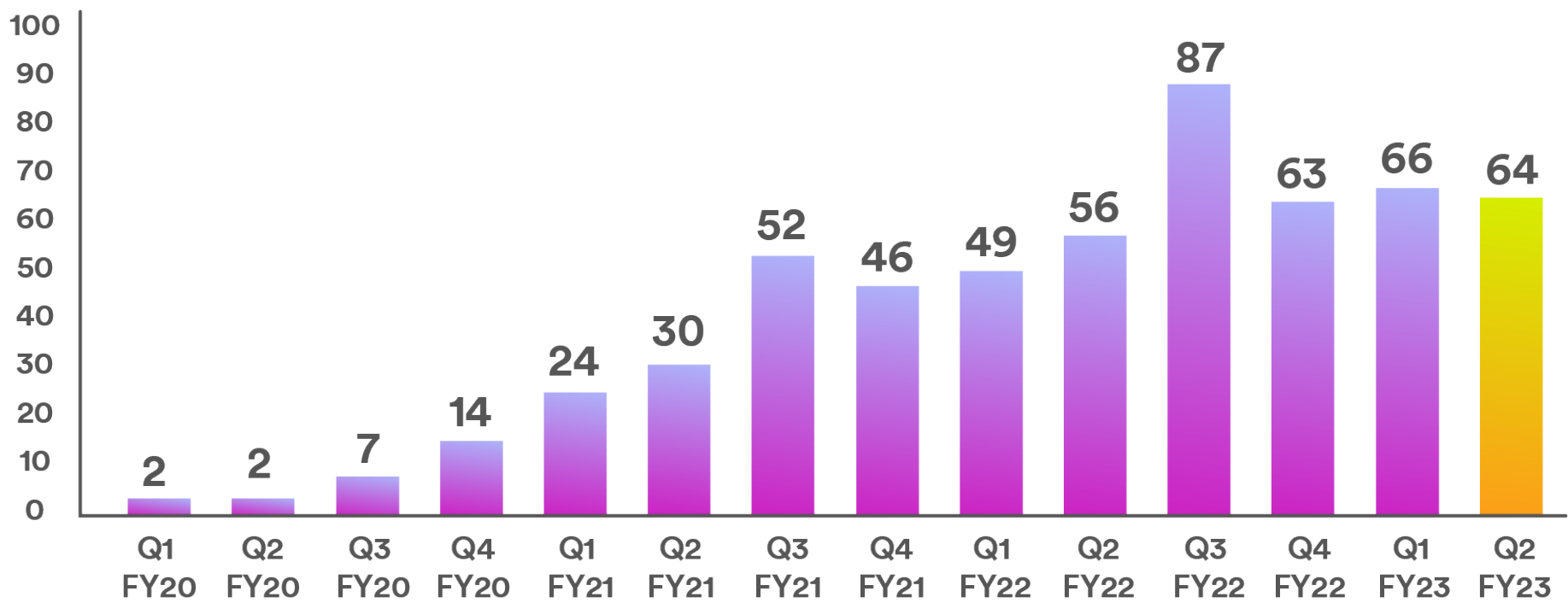


Active Merchants ('000)

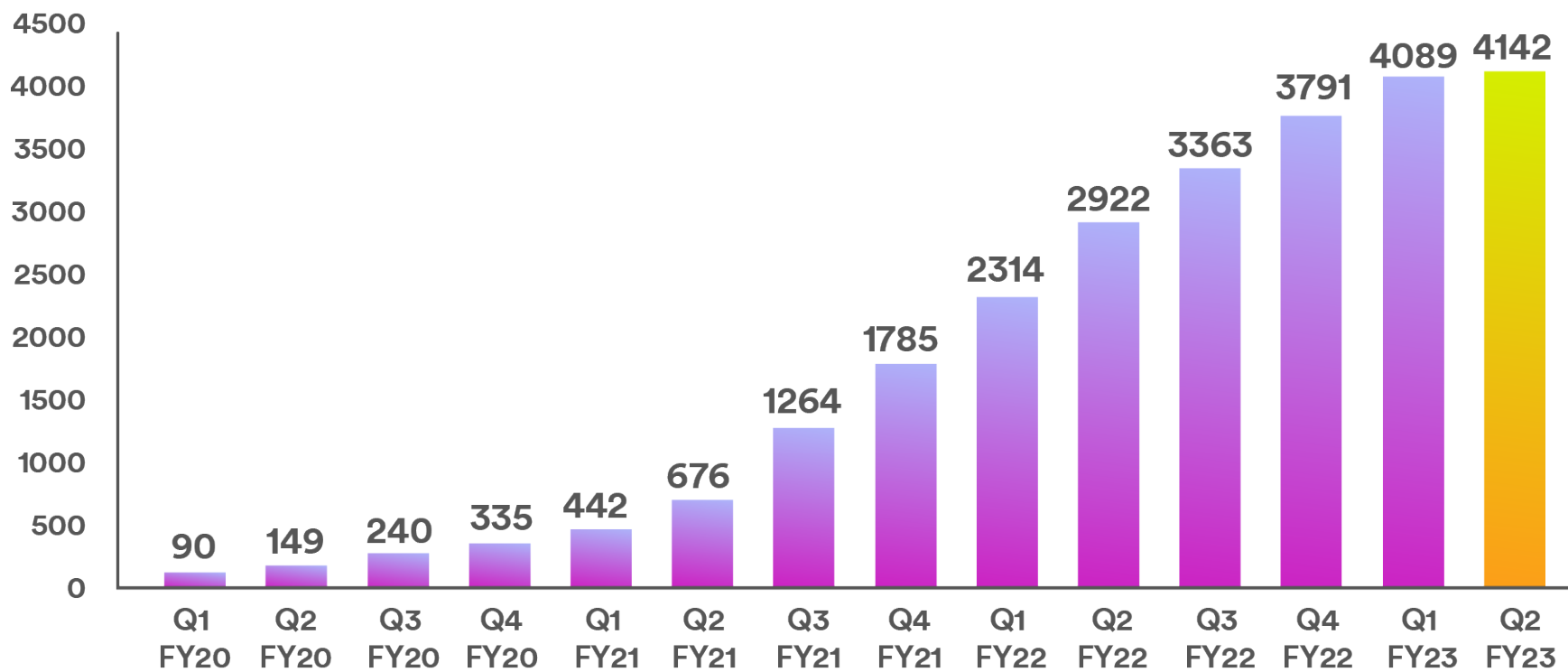


United Kingdom

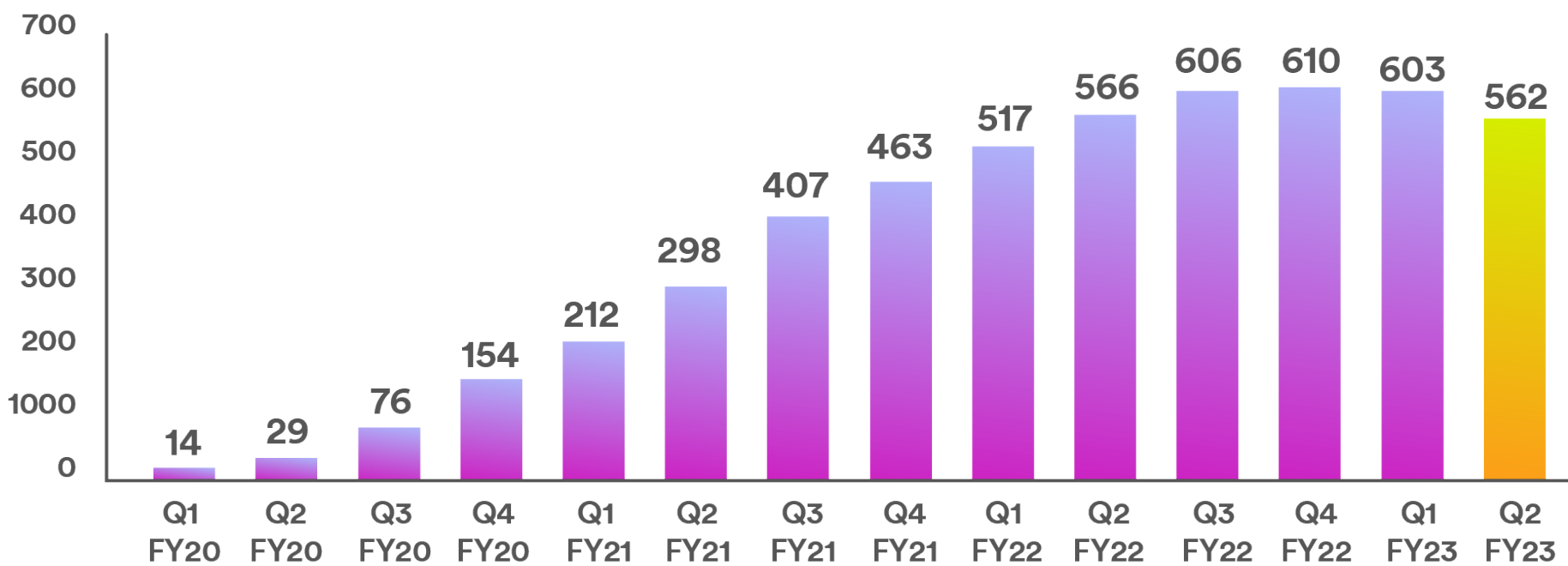
UK GMV (£m)



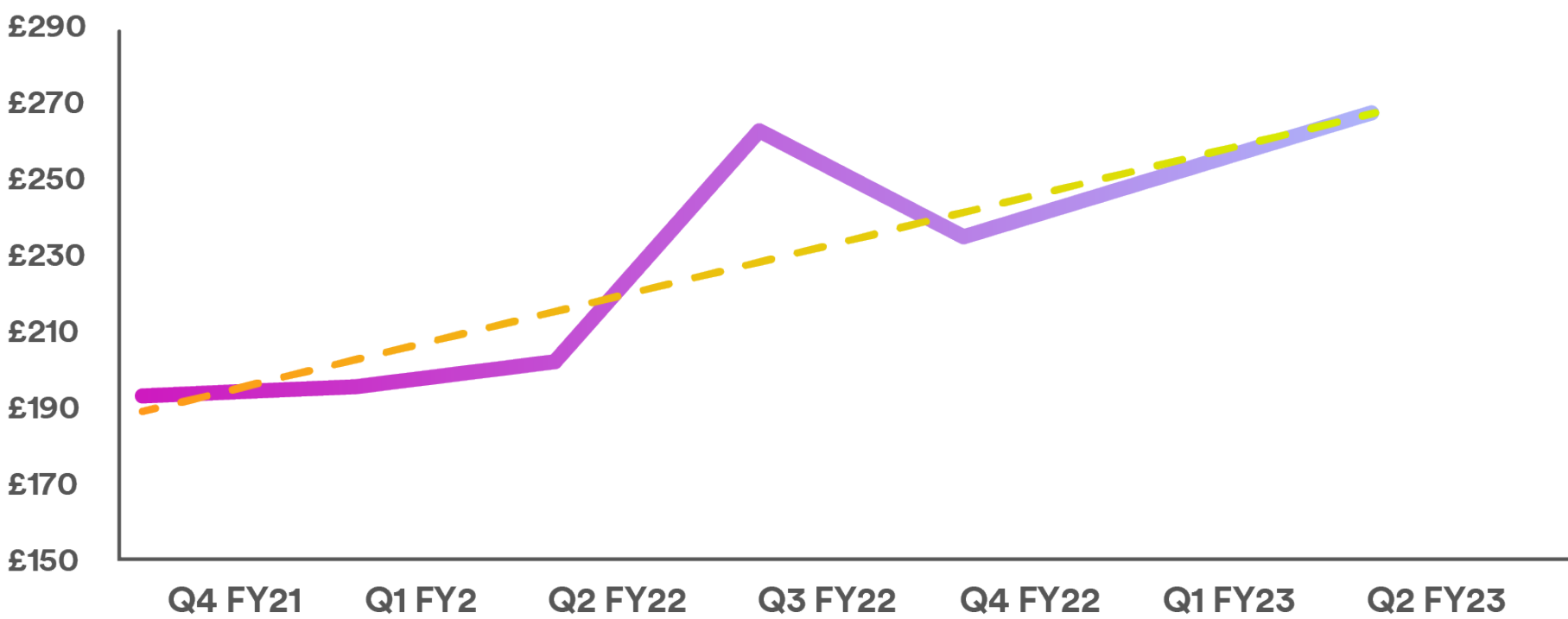
UK Active Merchants



UK Active Customers ('000)

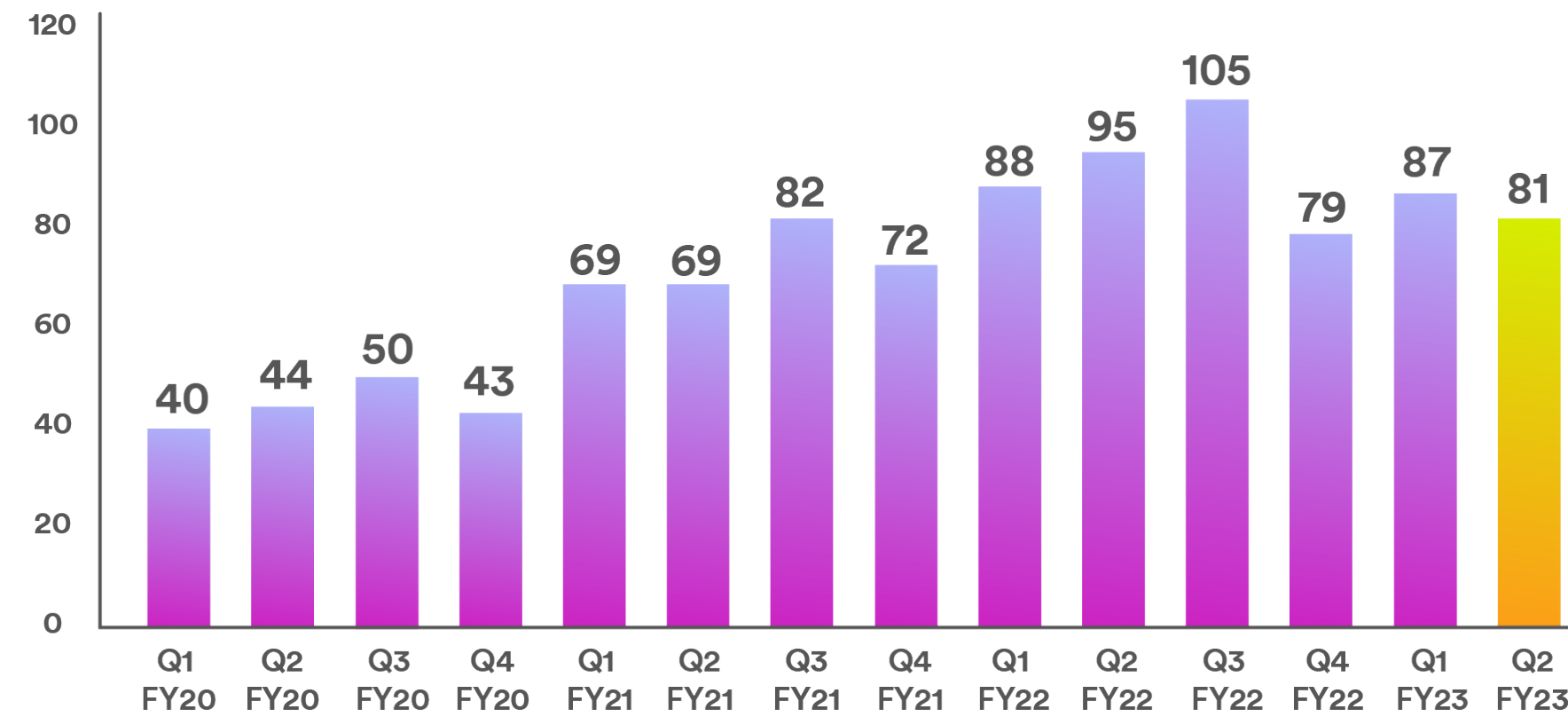


UK GMV Per Customer

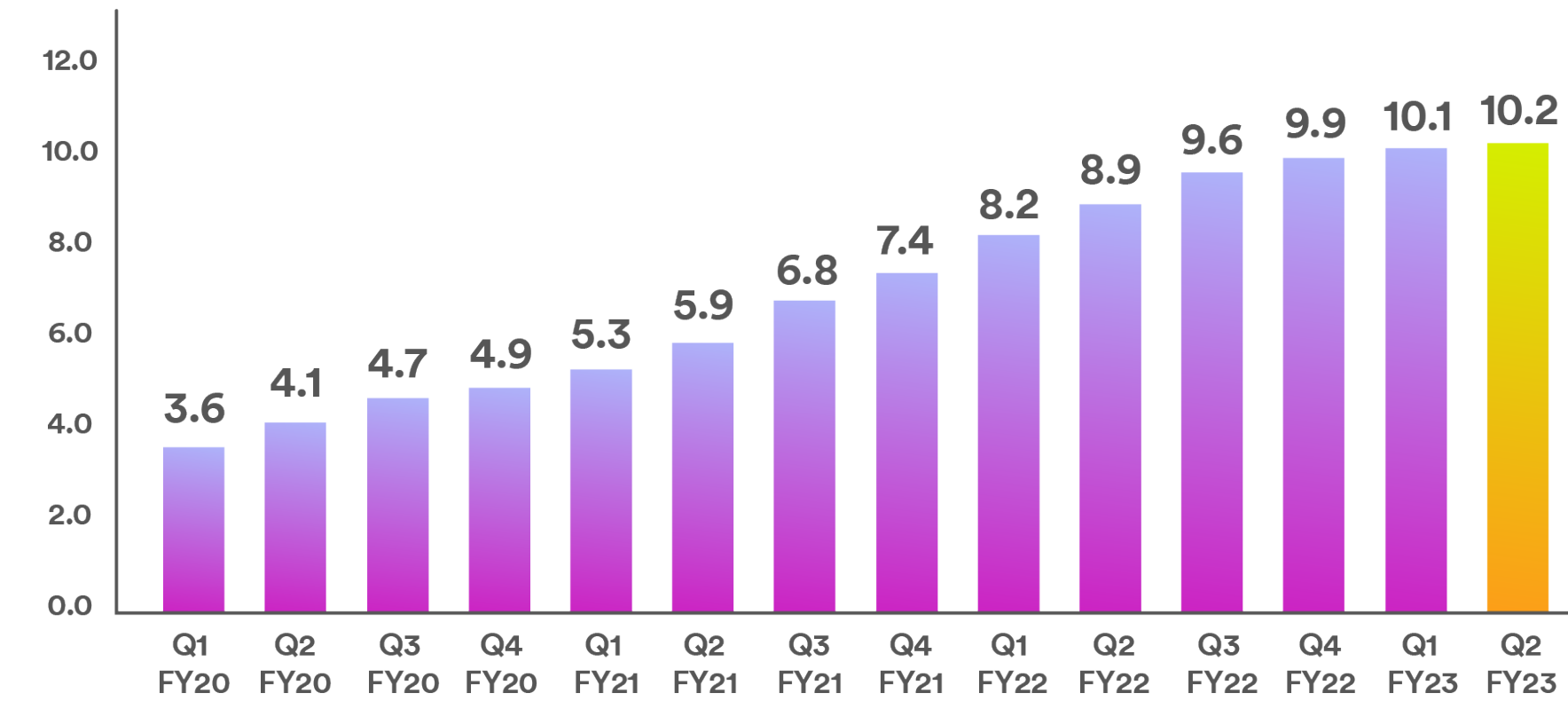


Australia & New Zealand (ANZ)

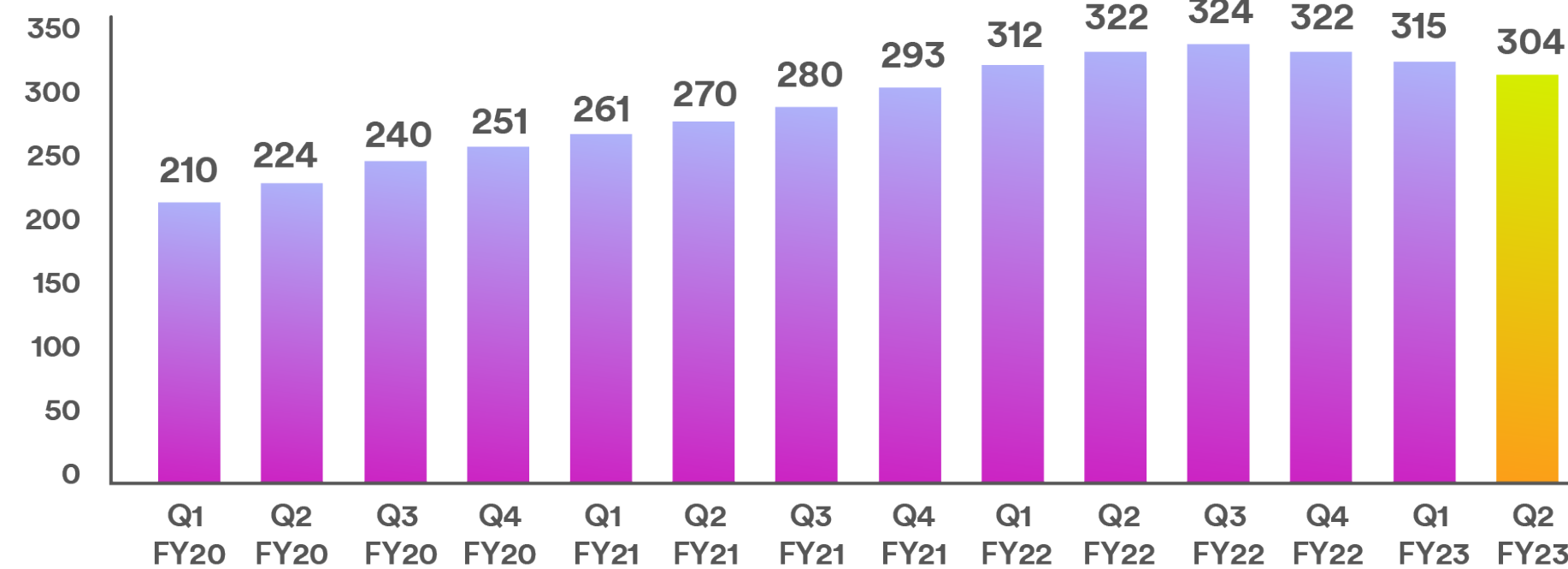
ANZ GMV (\$m)



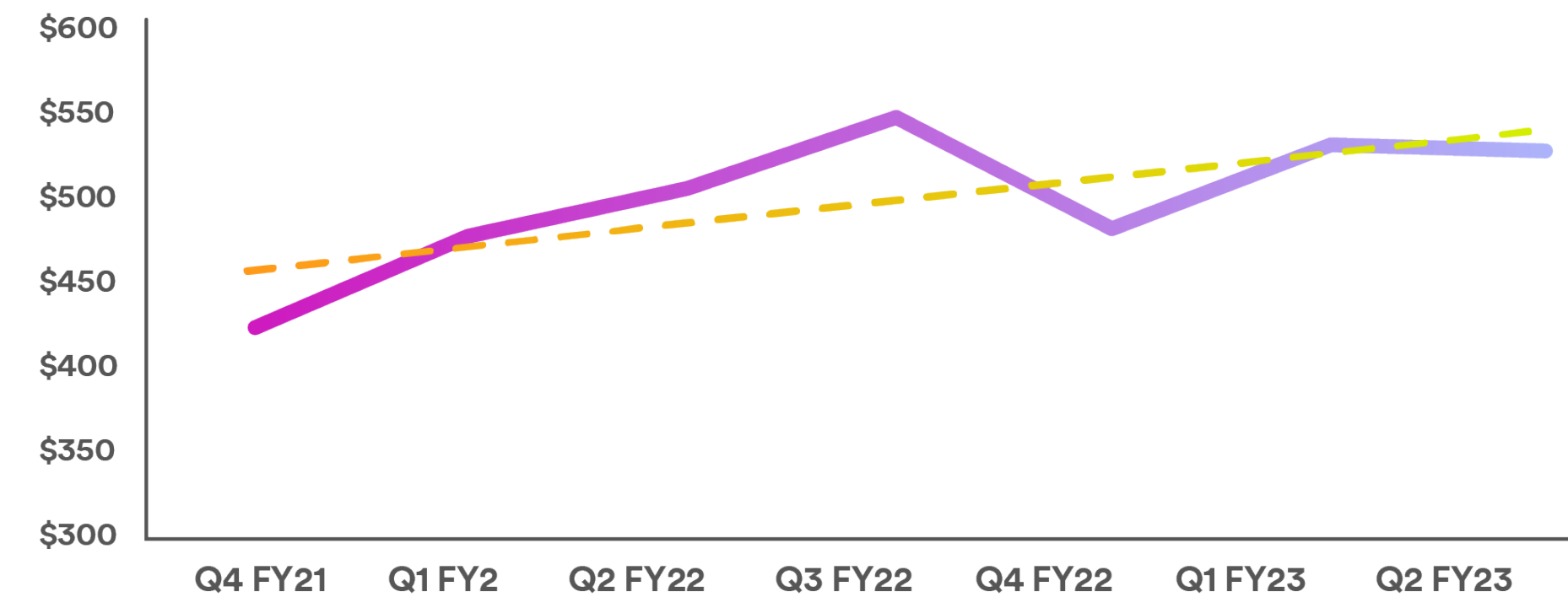
ANZ Active Merchants ('000)



ANZ Active Customers ('000)



ANZ GMV Per Customer



Supported by strong debt facilities

Partners for Growth

Debt facility to support the UK loan book

- £30 million facility (reducing to £20m)*
- 75% Loan to Value ratio
- Maturity date October 2024

Supporting over £500 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 June 2024

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

Facility	Facility Limit	Drawn as at 30 June 2022	Maturity
Kiwibank	NZ\$30.0m	NZ\$10.6m	June 2024
Partners for Growth	NZ\$56.5m/£30.0m	NZ\$18.9m	October 2024
Total	NZ\$86.5m	NZ\$29.5m	

*Revised debt facility better aligns with our revised requirements for the UK market.

Outlook

FY23 Outlook

- Reaffirm commitment to achieve profitability by the end of this financial year, with a small positive EBITDA achieved in September.
- Expect NTM to normalise between 3% and 4% as well as continued improvement in EBITA as profitability strategy continues to be implemented.
- Anticipate \$20m in savings to be delivered through both *Save to Invest* and the restructure of business operations, which will be invested back into the business and into areas that support pathway to profitability.
- Higher possibility of more subdued GMV in the medium term due to global macroeconomic environment. Do not anticipate this to impact path to profitability.
- Tightening approach to credit risk and focus on quality customers, undertaken as part of fraud prevention strategy, significantly mitigates risk of credit loss in tightening economic environment.
- Well positioned against rising interest rates and increased regulation given capital efficient model and commitment to responsible credit.
- Expectation that Laybuy will be profitable and self-sustaining by the end of the 2023 financial year.

Thank you



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LAYBUY