

7 May 2025

## Macquarie Group Conference Presentation

**Zip Co Limited** (ASX: ZIP) (“**Zip**”, or the “**Company**”) provides a copy of the presentation to be given by the Group CEO and Managing Director, Cynthia Scott, at the Macquarie Group Conference today, Wednesday 7 May 2025.

The presentation includes an update on Zip’s trading conditions and performance for the month of April 2025.

The presentation is also available via Zip’s website at <https://zip.co/investors/asx-announcements>.

This announcement was authorised for release by the Disclosure Committee.

– ENDS –

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### **About Zip**

Zip Co Limited (ACN 139 546 428) (ASX: ZIP) is a digital financial services company, offering innovative and people-centred products. Operating in two core markets - Australia and New Zealand (ANZ) and the United States (US), Zip offers access to point-of-sale credit and digital payment services, connecting millions of customers with its global network of tens of thousands of merchants.

Founded in Australia in 2013, Zip provides fair, flexible and transparent payment options, helping customers to take control of their financial future and helping merchants to grow their businesses.

For more information, visit: [www.zip.co](http://www.zip.co)

For any shareholding and registry service enquiries, please contact Computershare. Phone: 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia). Shareholders who would like to receive email communications from Computershare for all future correspondence, visit <https://www.investorcentre.com/au>.



# Macquarie Group Conference Presentation

**Cynthia Scott, Group CEO and Managing Director**

**Zip Co Limited  
7 May 2025**



# Who we are

- Zip's purpose is to unlock financial potential, together through providing fair, flexible and transparent point-of-sale credit and digital payment services
- Operate across the United States (US), in Australia and New Zealand (ANZ)
- Two-sided business model generating revenue from both customers and merchants
- Sustainably profitable business underpinned by significant operating leverage
- Founded in 2013 and included in the S&P ASX 200 index

## Key statistics (to 31 March 2025)



**\$12.1bn**

annual total transaction value (TTV)



**6.3m**

active customers



**83.3k**

merchant partners



**88.2m**

annual transactions

# Our mission and purpose

## Purpose

Unlocking financial potential, together

## Mission

To bring exceptional experiences, innovation and partnership to every financial journey

## Values



Customer first



Own It



Change the Game



Stronger Together

## Enabled by

Two-sided  
business model

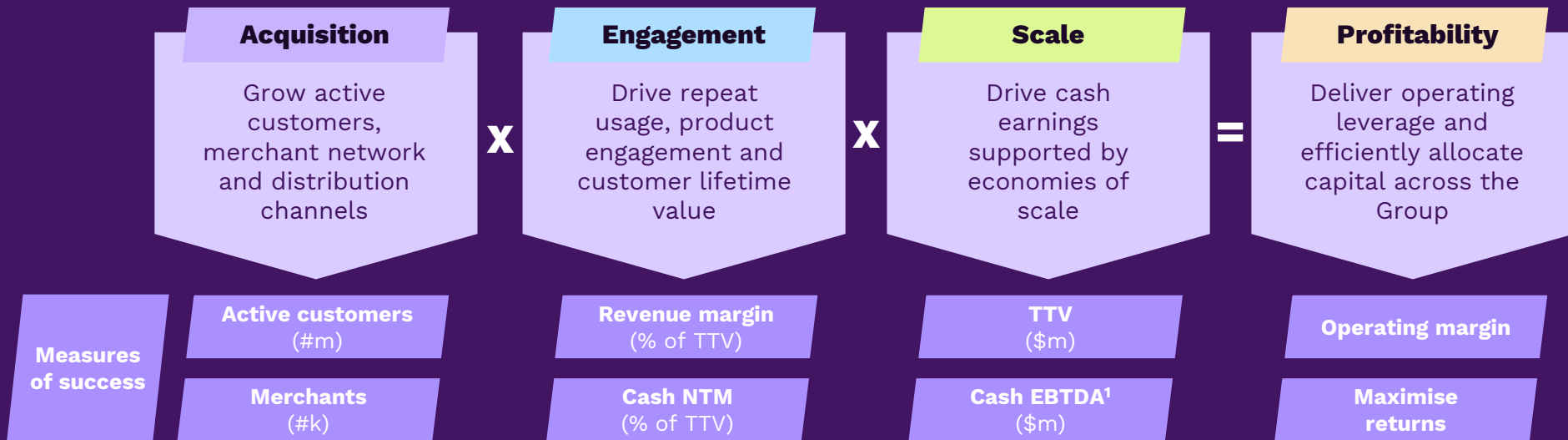
Product  
innovation

Unique credit  
underwriting capability

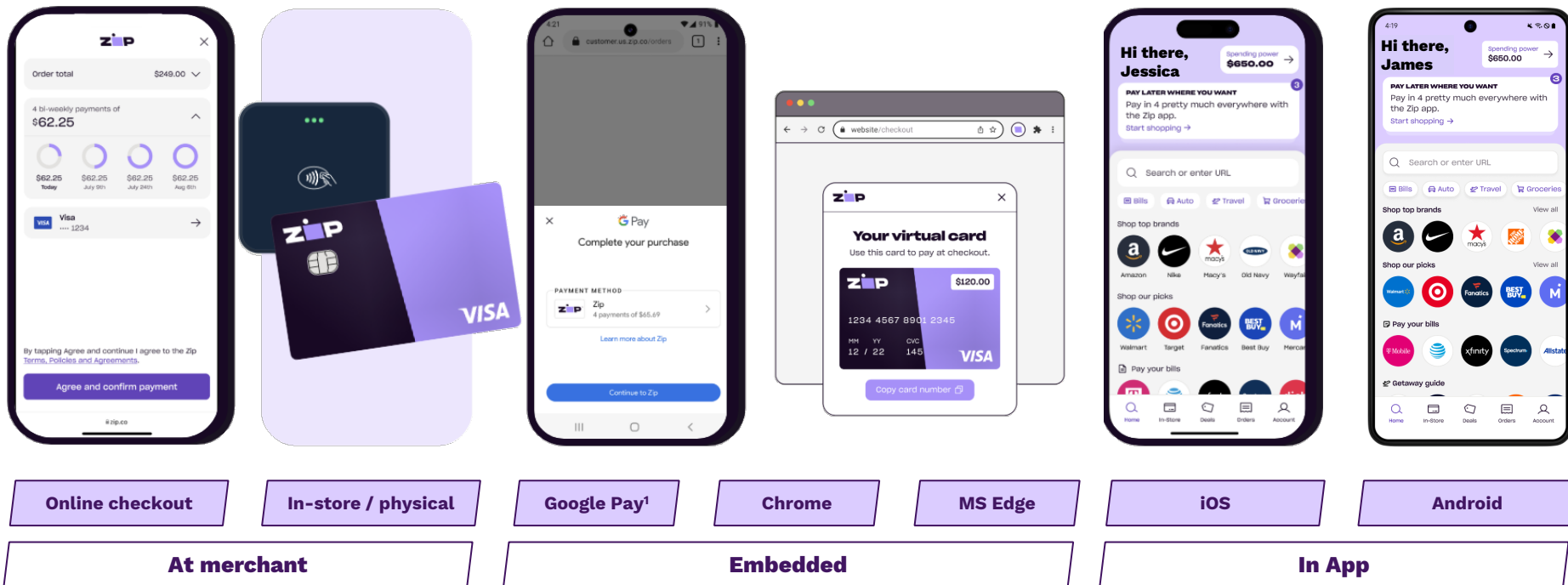
Strong track record in  
regulatory compliance

Business model built on being a **responsible lender** and **doing what's right** by our customers, merchants and other stakeholders

# Our differentiated business model delivers growth, profitability and capital efficiency



# Zip customers can shop seamlessly, anywhere



Note: (1) US integration in early stages.

# Zip's merchant and partner network drives top line sales growth and customer conversion

## Merchant value proposition



Offering Zip at checkout supports improved conversion rates, larger baskets, customer referrals and higher repurchase rates



Access to value-add services, as well as Zip's unique customer base and data insights



Omnichannel strategies with marketing tools to drive growth across channels

## Select merchants

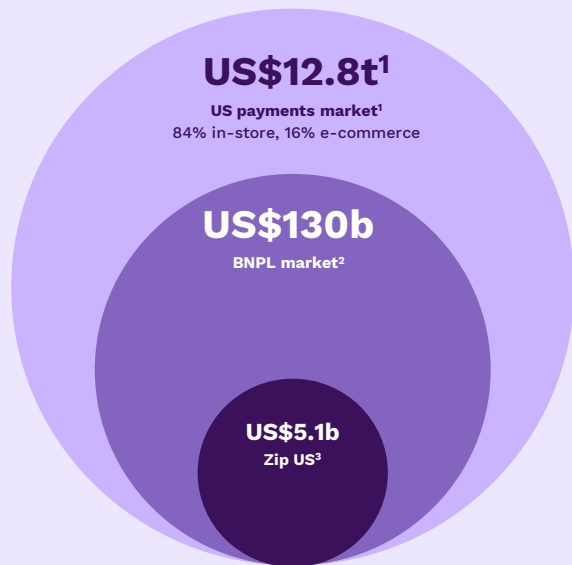


# Two regional growth engines with tailored strategies and products to win

	US Execute on significant growth opportunity	ANZ Leverage leading market position
Strategy	Financial flexibility, to serve the everyday needs of everyday Americans, everywhere	Leverage strategic assets to scale next generation financial services propositions
Customer	4.2m active customers, targeting the 100m+ everyday Americans	2.1m active customers, at 40 years old on average
Product	'Pay-in-Z' offering with options of 4 and 8 instalments currently available	Five products covering everyday spend to larger milestone purchases, primarily offering revolving lines of credit with average paydown of 6 – 9 months
Opportunity	Increase share in a significant and rapidly growing market	Drive new product adoption, receivables growth and operating margins



# US: Significant growth opportunity in an early-stage BNPL market



Note: (1) 2024 volume, according to The Global Payments Report, 2024. (2) Total BNPL market estimate for 2024. Sources considered in analysis include the 2024 Global Payments Report, Capital One and Business Wire. (3) Based on calendar year 2024 volume. (4) Percentages represent BNPL as a % of e-commerce volume.

**Significant headroom for US BNPL market growth, adoption is still in the early stages compared to more established markets<sup>4</sup>**



**US**

**<2%** of total payments

**6%** of e-commerce



**Australia**

**15%** of e-commerce



**Sweden**

**23%** of e-commerce



**Germany**

**20%** of e-commerce

# US: Well-positioned to perform in a range of economic scenarios

## Resilient customer base



Majority of TTV derived from non-discretionary spend with Zip used as a cash flow management tool



98%+ of transactions are repaid in full



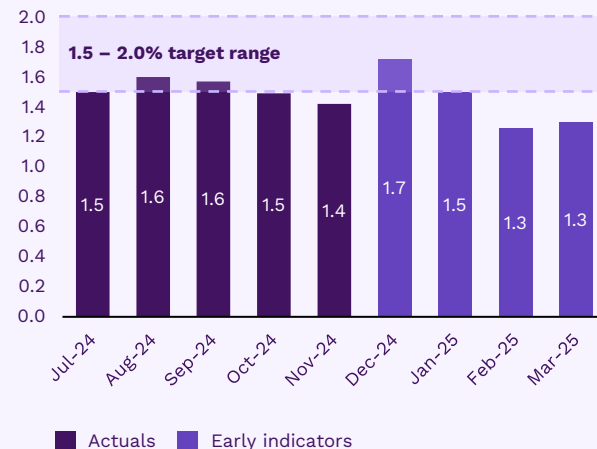
Zip customer skew 25-44s, female, living in the Southern US states balancing work and family



Over 90% of Zip customers either work full time, part time or are self employed

## Active credit management supports profitable growth

US monthly cohorts, 120-day bad debt performance (% of TTV)



Unique underwriting capability having processed **US\$16.5bn+ TTV and 120m+ transactions to date**

# AU: Our product set meets a range of customer needs

**ZIP**PAY

Balance your everyday  
spending.

**ZIP**PLUS

Balance your everyday  
spending. Plus more.

**ZIP**MONEY

Pay for your next  
step in life.

**ZIP** PERSONAL  
LOAN

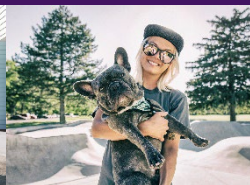
One-off funding for  
life's milestones.



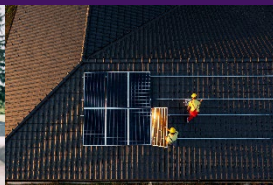
Everyday spend



Family



Pet care



Home improvement

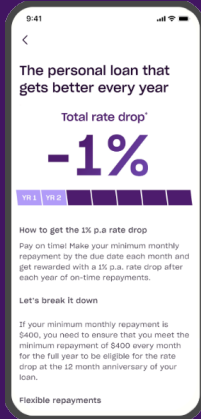


Travel



Health

# ANZ: Strategic assets provide the foundations for the next horizon of profitable growth



## Strategic assets

c.10% of the Australian adult population are active customers

58.7k merchants offering Zip products

5 personal lending products live, with 2 launched last 18 months

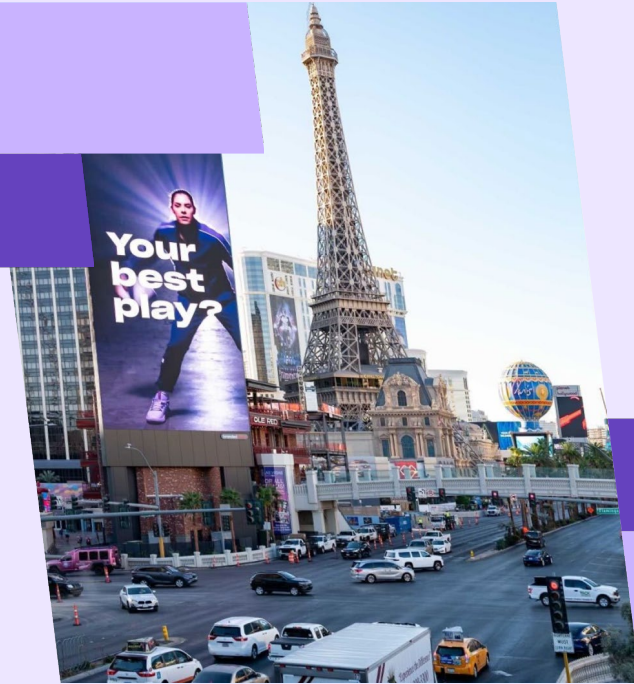
## Growth levers

Distribute core products to targeted verticals

Scale Zip Plus and Zip Personal Loan

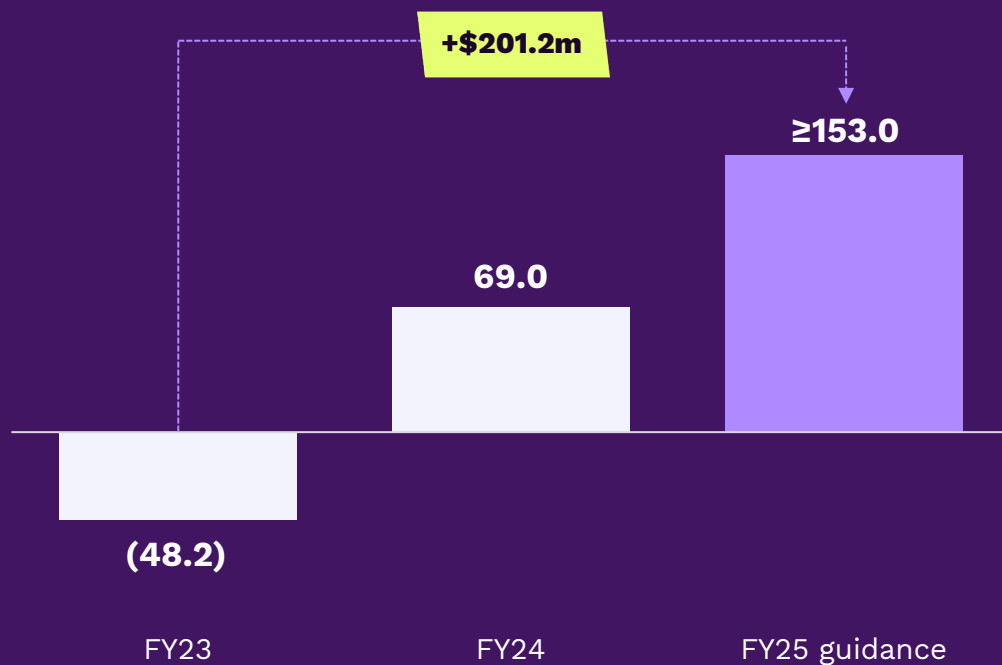
Pilot capital-light propositions

# Company performance



# Significant turnaround in group profitability driven by US growth and operating leverage

Group cash EBTDA (\$m)



Key metrics<sup>2</sup>

**14.2%** FY25 year to date operating margin<sup>1</sup>  
(up from 7.9% in FY24)

**Nil** corporate debt

**\$2,746.5m** customer receivables

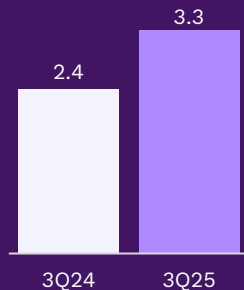
**\$204.5m** available cash and liquidity

**\$50m** on-market buyback launched

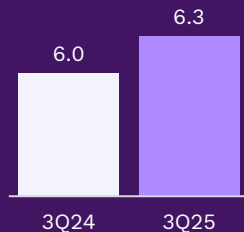
# 3Q25 group highlights

**Delivered  
record cash  
EBTDA of  
\$46.0m  
underpinned by  
accelerated  
growth and  
disciplined  
execution**

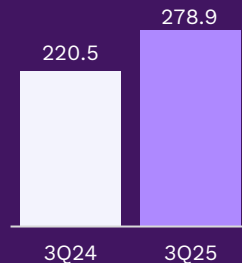
**TTV (\$b)**  
**+35.7% YoY**



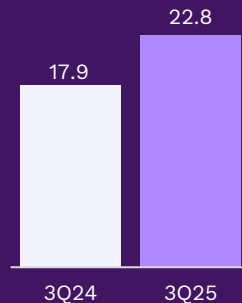
**Active customers (m)**  
**+4.2% YoY**



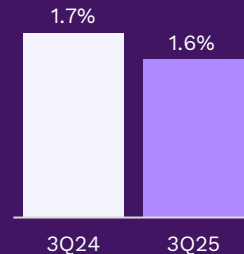
**Total income (\$m)**  
**+26.5% YoY**



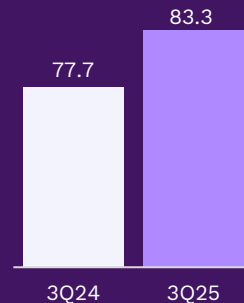
**Transactions (m)**  
**+27.3% YoY**



**Net bad debts (% of TTV)**  
**-8bps YoY**



**Merchants (#k)**  
**7.2% YoY**

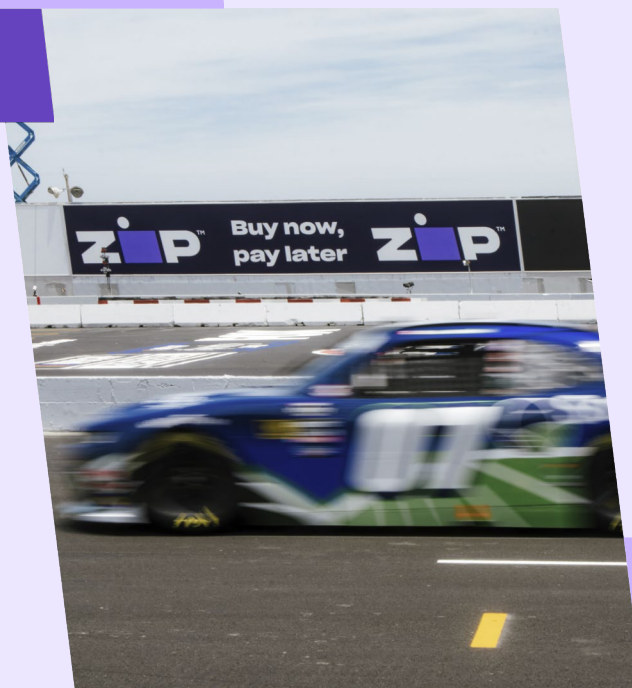


# April trading update

- The operating environment continues to evolve, particularly in the US
- Momentum in TTV growth has continued across both markets
- In the US, year on year TTV growth for the month of April was above 40%
- The portfolios in both regions continue to perform well and there are no material changes to credit loss performance
- Purchased 3.9m shares for total consideration of \$6.4m to date as part of Zip's \$50m on-market share buyback program<sup>1</sup>
- Available cash and liquidity levels remain stable to those reported at 3Q25
- Reconfirm FY25 guidance for cash EBTDA of at least \$153.0 million, including cash opex growth of circa 10%, subject to market conditions
- On track for FY25 results to be within the two-year target ranges as previously announced to the market with 1H25 results in February 2025



# Summary



# Zip has a clear strategy to drive future growth



## Growth and engagement

Secure new merchant and strategic partnerships

Scale embedded distribution channels

Scale new propositions; Pay in Z (US) and Zip Plus (AU)



## Product innovation

Accelerate innovation

Scale Personal Loans (AU)

Pilot capital-light propositions (ANZ)



## Operational excellence

Improve and automate key customer journeys

Enhance core operating systems for scale

Optimise funding structures

# Attractive investment proposition



**Two-sided revenue model** with deep customer, merchant and channel partnerships



Disciplined execution driving **significant operating leverage**



**High-growth US business** (73% of TTV<sup>(1)</sup>) which continues to **increase share** in an attractive market

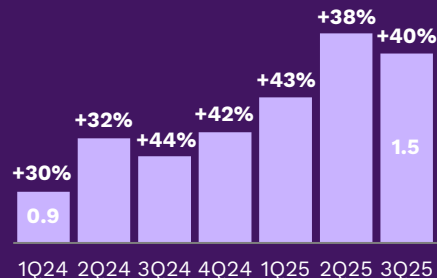


**Leading, profitable ANZ business** with strong track record in product innovation

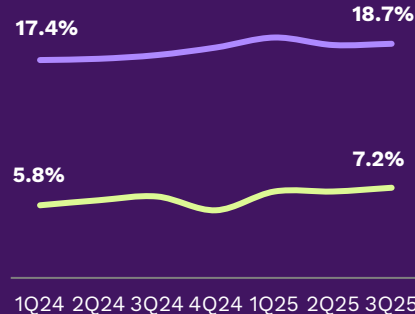


**Simple, well-capitalised balance sheet** to support growth

**US TTV (US\$b) and YoY growth (%)**

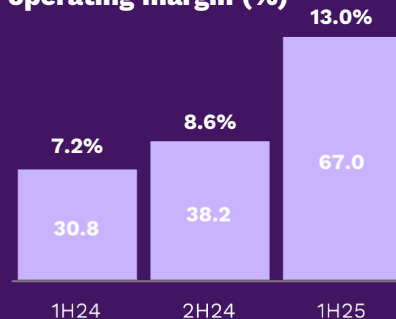


**AU yield and excess spread**

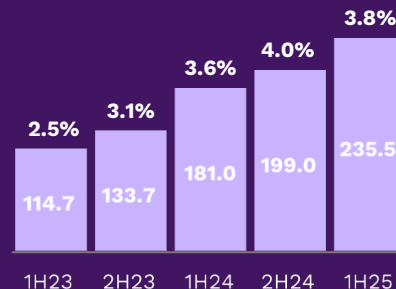


— Yield — Excess spread

**Cash EBTDA (\$m) and operating margin (%)**



**Cash gross profit (\$m) and cash net transaction margin (%)<sup>(2)</sup>**



Note: (1) Based on 3Q FY25. (2) 1H23, 2H23, 1H24 and 2H24 excludes discontinued operations.

# Appendix



# Zip product suite

Product	Pay-in-Z	Pay-in-4	Zip Pay	Zip Plus	Zip Money	Personal Loan
<b>Market</b>	US	NZ	AU	AU	AU	AU
<b>Acceptance</b>	Everywhere <sup>1</sup>	3.8k merchants	Everywhere <sup>1</sup>	Everywhere <sup>1</sup>	53.7k merchants + anywhere online	N/A
<b>Account type</b>	Pay by instalments	Pay by instalments	Pay by account	Pay by account	Pay by account or instalments	Pay by instalments
<b>Purchase value</b>	US\$35 - \$3.0k	Up to NZ\$2.0k	Up to \$1.5k	Up to \$8k	Up to \$50k	\$5k - \$50k
<b>Instalment length</b>	Up to 14 weeks	6 weeks	Revolving account	Revolving account	Revolving account	Fixed term
<b>Repayment frequency</b>	Fortnightly	Fortnightly	Weekly, fortnightly or monthly	Weekly, fortnightly or monthly	Weekly, fortnightly or monthly	Weekly, fortnightly or monthly
<b>Interest free</b>	Always	Always	Always	If end of month balance <\$1.5k	3 - 60 months	N/A
<b>Interest rate</b>	N/A	N/A	N/A	12.95%	25.90%	11.99 - 21.99%
<b>Base customer fee</b>	Tied to size	Nil	\$9.95 p/m (nil if nothing owing)	\$9.95 p/m (nil if nothing owing)	\$9.95 p/m (nil if nothing owing) \$0-\$99 establishment	\$9.95 p/m \$199 establishment

(1) Integrated merchants plus everywhere VISA is accepted.

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