

ASX Release | 16 February 2022

QuickFee announces H1 FY22 results

QuickFee Limited (ASX:QFE) ("QuickFee") today announces its financial results for the half-year ended 31 December 2021 (H1 FY22).

Commenting on the half year results, Eric Lookhoff, QuickFee CEO said:

“ The first half of the 2022 financial year was a period of stronger performance for QuickFee, with continued growth in the US in both payments and lending, and lending in Australia continuing its recovery. We ended the half with momentum, achieving a record quarter in Q2 in the US in our core professional services segment. We are now seeing a return to pre-COVID-19 lending levels, but with accelerated payments volume and larger transaction sizes, which positions QuickFee well heading into the second half.

Our BNPL offering continues to build, with solid growth in our ISO distribution model, merchants sign-ups, and a growing backlog of volume. We anticipate that this momentum will accelerate into the remainder of FY22 and well into FY23, becoming a material part of the QuickFee business.

In addition to growing top line revenue, there has been a concerted effort to begin extracting benefits from the operating leverage in the business. Shifting to the ISO channel model for BNPL allowed us to reduce direct sales resources at the end of H1, and completion of our proprietary payments system in H2 paves the way for reduced spending in technology. These changes combined with growth in our core professional services segment, quickly expanding BNPL segment, and low-risk, low-cost loan book sets us up nicely for accelerating our path to profitability.

We continue to be well capitalised and were very pleased to finalise our new funding deal with Northleaf Capital Partners which delivers a US\$70 million-equivalent multi-currency receivables facility to fund future growth.

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Key financial information (A\$M)	H1 FY22	H1 FY21	Movement %
Revenue	4.7	4.5	up 5%
Gross profit	3.4	3.2	up 6%
Adjusted EBITDA ¹ before growth expenses and significant items	(0.9)	0.5	down 280%
Adjusted EBITDA ¹	(7.1)	(2.7)	down 163%
NPAT	(7.3)	(2.9)	down 152%
EPS (cents)	(3.3)	(1.4)	down 136%

¹Adjusted EBITDA = statutory EBITDA less interest expense on loan book borrowings

Key H1 FY22 highlights

- Another strong half in the US for Pay Now and Financing:
 - Pay Now total transaction values (TTV) up 48%% to US\$423 million (H1 FY21: US\$285 million)
 - Financing up 4% to US\$8.2 million (H1 FY21: US\$7.9 million)
 - Average order values (AOV) up, signalling the economic recovery. US Pay Now AOV up 9%; Financing AOV up 12%
- Lending in Australia continues its recovery, up 30% on pcp to A\$17.3 million in H1 FY22
- Strong growth in BNPL offering and building of independent sales organisations (ISOs) distribution channels in the US:
 - 128 ISOs were signed-up in H1 FY22 (from 8 at 30 June 2021); increases addressable market to 150,000+ merchants
 - 946 merchants signed up in the US (June 2021: 577) and 295 signed up in Australia (June 2021: 234)
 - Annualised backlog, which represents expected future volume and revenue based on existing portfolio behaviour is growing strongly. BNPL volume up to A\$6.1 million (30 June 2021 A\$4.6 million) and revenue up to A\$0.6 million (30 June 2021: A\$0.4 million), while increasing yield
- Jim's Group 20-year franchise agreement signed, providing access to ~4,500 franchise merchants in AU home services to offer payment plans
- Northleaf Capital Partners funding deal delivers US\$70 million-equivalent multi-currency receivables facility to fund future growth in lending

Commenting on the outlook for the remainder of FY22, Eric Lookhoff said:

“ We are pleased with the stronger H1 FY22 performance and the momentum we have entering the second half of the financial year across the enterprise. In the professional services segment, we will continue to benefit from, and be a catalyst for, the shift to digital invoicing and payments. We will continue to increase our US market share through further penetration of accounting firm alliances and associations and increase our share of total firm volume through deeper practice management system integrations.

In the BNPL segment, we are focused on scaling up the production of our ISO partners to generate and increase merchant acquisition, while continuing to sign up new ISOs which further increases our addressable market. This strategy helps us scale quickly in a cost-effective manner, and we expect to continue our trajectory of growing the portfolio of existing and annualised processing volume and revenue.

After successfully navigating a challenging period as a result of government stimulus measures, H1 FY22 demonstrated that QuickFee indeed has a robust business model that is now accelerating its path to profitability.

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Results call

Managing Director & CEO, Eric Lookhoff, and CFO, Simon Yeandle, will be conducting a briefing session for investors and analysts today at 10:00 am AEDT.

To pre-register for the briefing, please following the link below:

https://quickfee.zoom.us/webinar/register/WN_zGFVn8X_RfKo0o7iRI3P8w

This announcement has been authorised for release by the directors.

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For further information please contact:

Corporate: **Simon Yeandle, CFO**
p : +61 2 8090 7700
e : simon.yeandle@quickfee.com

Investors: **Eric Kuret, Market Eye**
p : +61 3 9591 8904
e : eric.kuret@marketeye.com.au

About QuickFee

QuickFee Limited (ASX:QFE) is a fast-growing financial technology company providing an innovative suite of online payment solutions and loan origination offerings to professional, commercial, and personal services providers, helping customers access the advice and services they need, with the choice to pay now or over time.

QuickFee's fully integrated online payment platform and financing solutions enable merchants to accept payments by card, EFT/ACH, payment plan, or a Buy Now, Pay Later instalment plan.

QuickFee currently operates in the United States and Australia. For more information, visit quickfee.com.