



WOODWARD PARTNERS NZ MID-CAP SPOTLIGHT

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MANAGEMENT TEAM



Chris Heaslip
CEO, Executive Director
and Co-founder



Eliot Crowther
Executive Director
and Co-founder



Shane Sampson
CFO



Steve Basden
President of echurch



James Maiocco
Chief Business Development
Officer



Colin Bowern
VP Product



Kevin Kuck
VP Operations



Troy Pollock
VP Partner Success



Sean Reiter
SVP Marketing



Josh Robb
VP Engineering



Isaiah Stewart
VP, SDR Sales



Matt Tresidder
VP Sales

376 staff across Redmond, WA, USA and Auckland, New Zealand
(as of March, 31 2017)

INVESTMENT HIGHLIGHTS



Hyper-Growth SaaS

158% ACMR growth in FY2017 (US\$19.6m to US\$50.5m)

Large TAM

US\$2.2B TAM in USA faith sector
US\$119B in giving per annum to USA faith sector

Mobile-first

Fundamental market shift to mobile-first solutions

Customer Growth

79% Customer growth in FY2017 (from 3,766 to 6,737)
Annual revenue retention > 95%

Market-leader

Market leader in USA faith sector with 2% market share
Under-resourced competitors lacking sophistication

Strong Leaders

Talent senior leaders from best-in-class SaaS companies
376 employees across Redmond, WA, USA and Auckland, NZ through FY17

PROBLEM

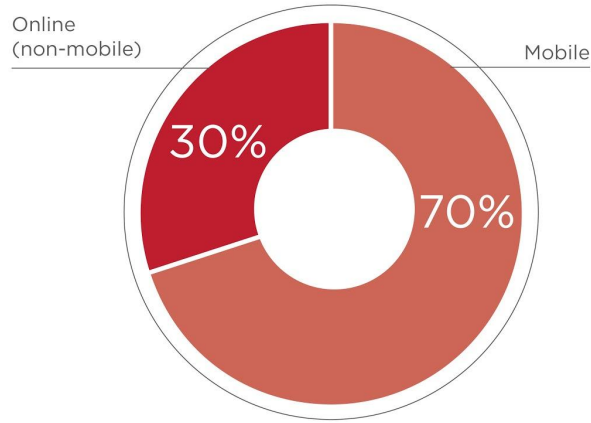


- Church attendees are consumers too, and have expectations of a first-class mobile experience
- Faith sector has not kept up with technology

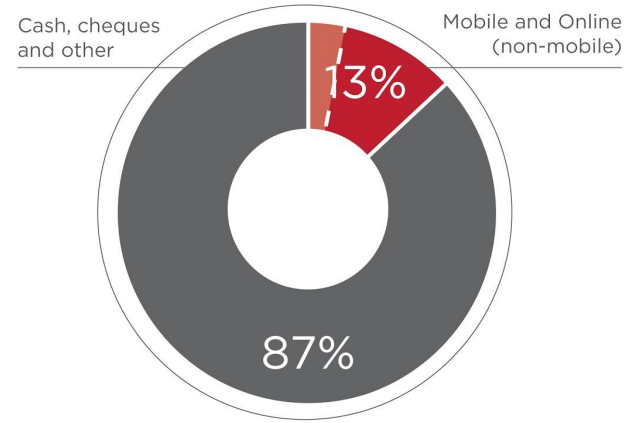


- Payments is the most obvious entry point
- “Engagement” in a mobile-first world is the crux of the problem
- Domain experience is a “must-have” not a “nice-to-have”

MARKET EXPECTATIONS



Last Christmas season Amazon had around 70% of customers engage using a mobile device¹



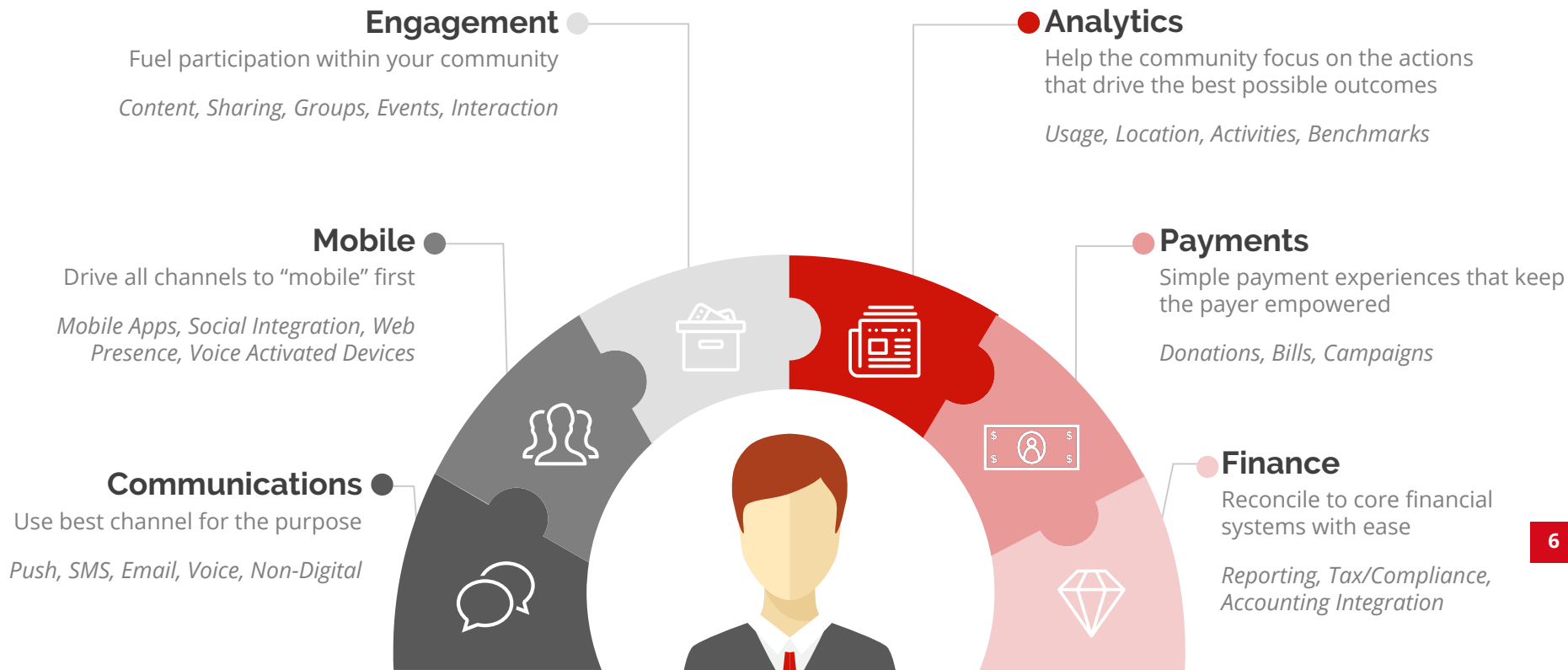
Churches that offer online giving had just 13% of revenue given through Mobile and Online²

¹ Amazon.com, Inc (2016). Alexa Devices Top Amazon Best-Seller List this Holiday – Millions of Alexa Devices Sold Worldwide ² Dunham + Company (2015). Study shows churches lag behind in facilitating online giving

CURRENT SOLUTION



PRODUCT THEMES



REVENUE MODEL



Subscription Fees

is recurring fees based on Customer product holding which can vary based on the size of the Customer (in the case of the faith sector, size is based on average weekly attendance).

Volume Fees

is variable fee income generated from payment transaction volume (in the case of the faith sector, this is usually a percentage of total donations).

USA MARKET OPPORTUNITY



**1.4
million**
Not-For-Profit (NFP)³
Organizations

>340,000
Faith Sector
(Churches)⁴

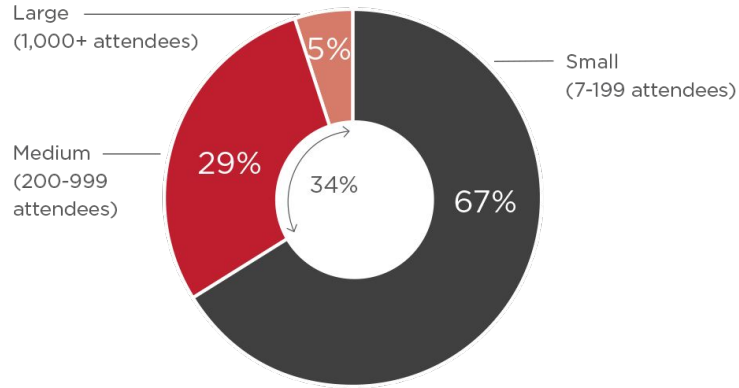
Market leader with 2%
market share and long
term duration growth

Each Church Donor gives to an average of 7 other NFPs

CHURCH SECTOR

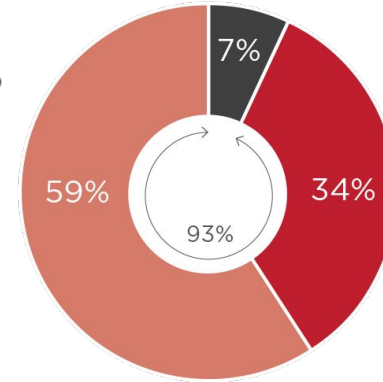


Estimated Number of Churches by Size



Total: >340,000

Estimated Revenue Potential by Church Size



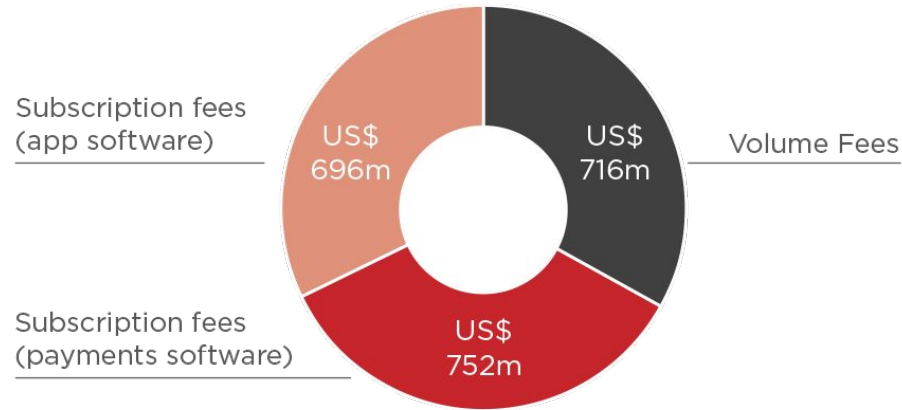
Total available market:
>US\$2.2 billion

- Large and Medium sized churches represent only 34% of total # of churches, but 93% of the revenue opportunity per year.
- Pushpay has 10 of the top 20 and 36 of the top 100 USA churches.

CHURCH TAM IS GROWING

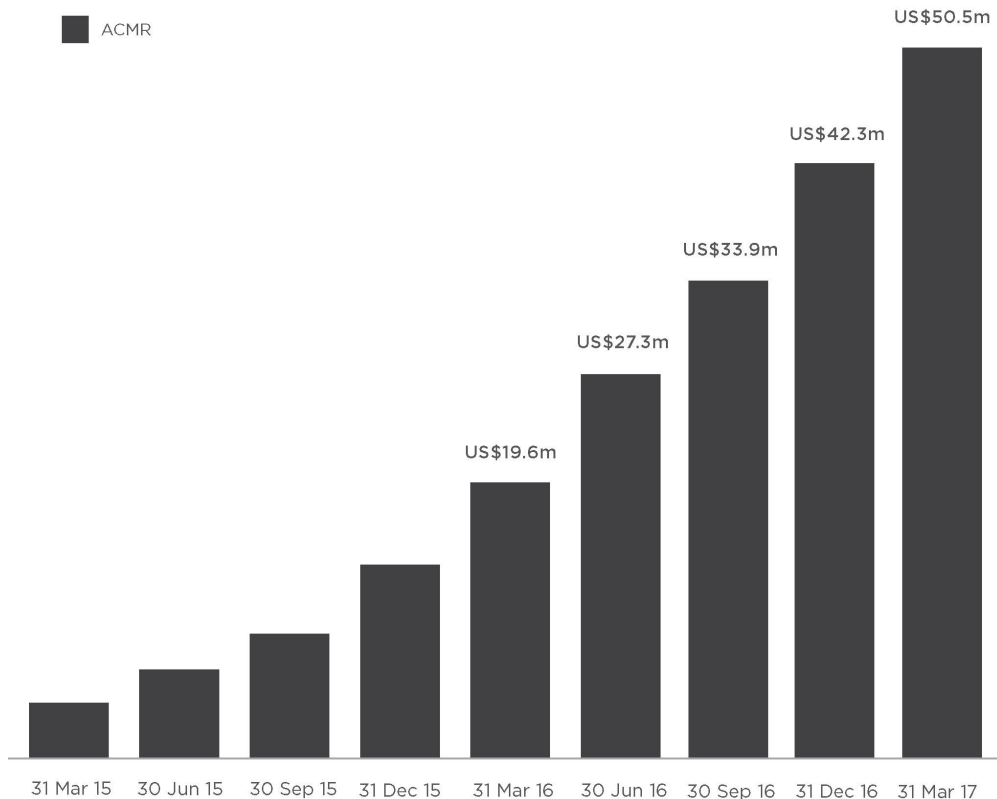


2015



- US\$119 billion given to religious organizations in USA in 2015
- Assumes total giving to grow 3.13% per annum, and digital giving to grow 6% per annum (from 30%)
- TAM grows from US\$2.2 billion of revenue opportunity per year in 2015 to US\$3.1 billion in 2020

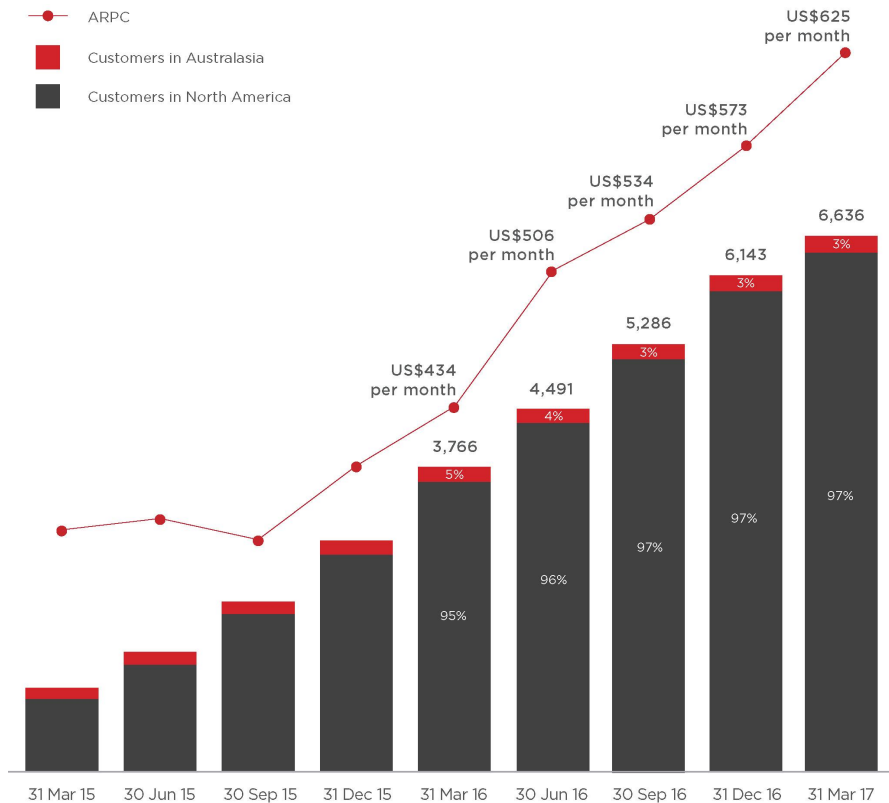
ACMR GROWTH



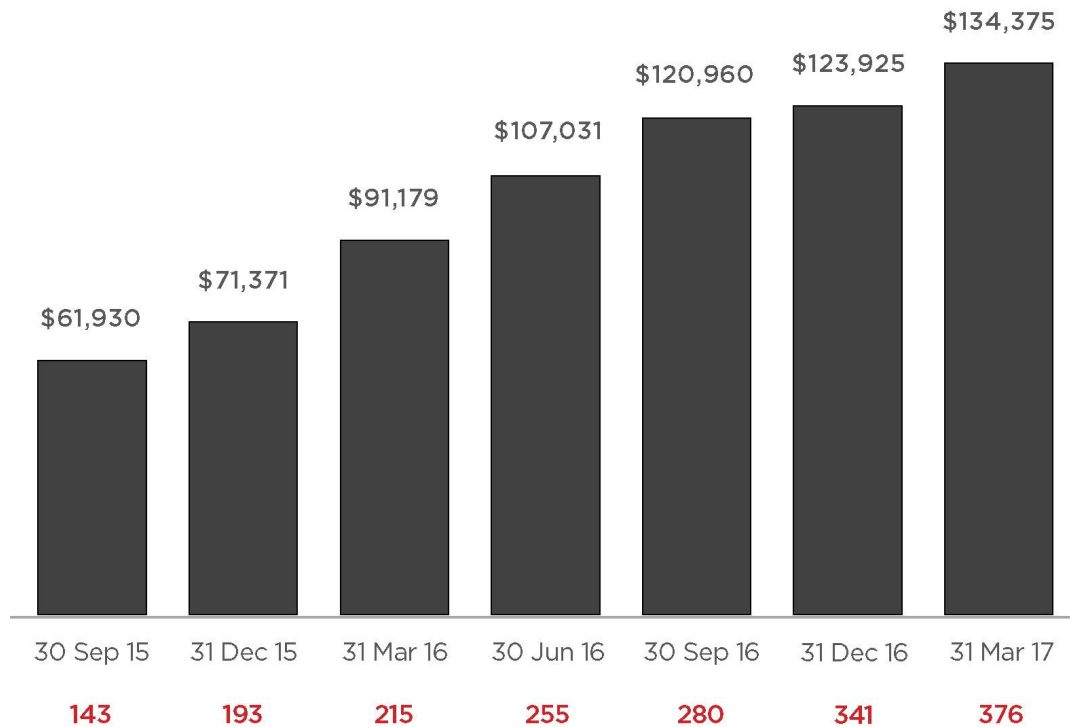
Annualised Committed Monthly Revenue (ACMR)

is monthly Average Revenue Per Customer (ARPC) multiplied by total Customers and annualised. ACMR is a key metric to track how a SaaS business is acquiring revenue.

ARPC & CUSTOMER GROWTH



ACMR PER HEADCOUNT



Staff Headcount

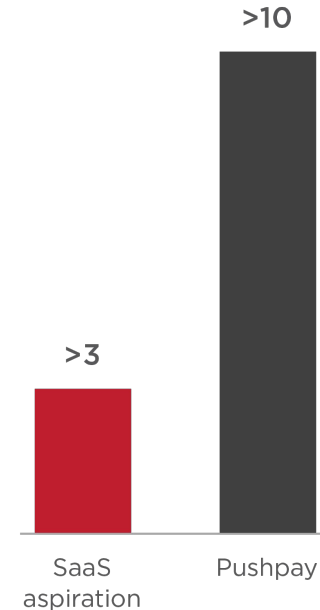
CUSTOMER LTV/CAC

>10
LTV / CAC

- Months to Recover CAC = **<12 months**
- Annual Revenue Retention Rate = **>95%**
- $LTV = (ARPC \times 12 \times \text{Gross Margin}) / (\text{Annual Revenue Retention Rate})$
- LTV/CAC is the above divided by CAC



LTV/CAC Ratio



READINESS TO SCALE



Pipeline

MARKETING

25 staff as at 31.03.17
Aggressive digital reach
Content-acquisition
Thought-leadership

SALES

136 staff as at 31.03.17
Inside direct sales
Targeted account based selling
Upsells

SUCCESS

58 staff as at 31.03.17
Implementation team
Customer success
24/7 Support

Supporting SaaS Software



+7 plugins



+7 plugins



+4 plugins

Core Systems



slack



GROWTH DRIVERS



Large, under-serviced market

Capitalizing on leadership position to win Faith-sector, with potential to expand to affiliated Education and NFPs

Consistent ACMR growth

Substantial ACMR growth in FY17 by 157.7% to US\$50.5m. Pushpay remains in a position to achieve US\$72 million ACMR and breakeven on a monthly cash flow basis prior to the end of CY17.

Two revenue streams

- Volume fees (usually a percentage of payment transaction volume)
- Subscription fees (a monthly fee usually based on merchant size)
- Fuel ongoing internal account growth

Best in class SaaS metrics

Pushpay's growth is being achieved whilst maintaining best of breed efficiency metrics, including a greater than 95% Annual Revenue Retention Rate and less than 12 Months to Recover CAC.

A close-up, low-angle shot of a hand raised in the air, palm facing forward, fingers slightly spread. The hand is light-skinned and appears to belong to a young person. In the background, a large green chalkboard is visible, and several other hands are raised in the distance, suggesting a classroom or meeting environment. The background is softly blurred.

QUESTIONS

CASE STUDY



Church in
San Diego, CA

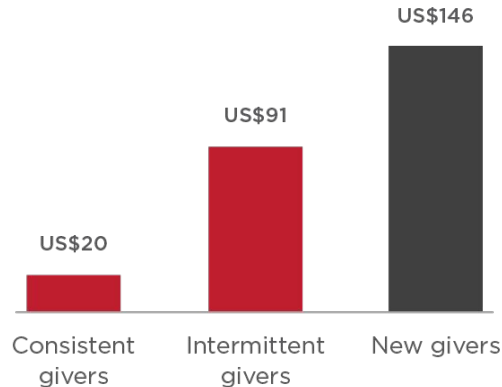


Around 7,000
attendees



US\$7 million
annual budget

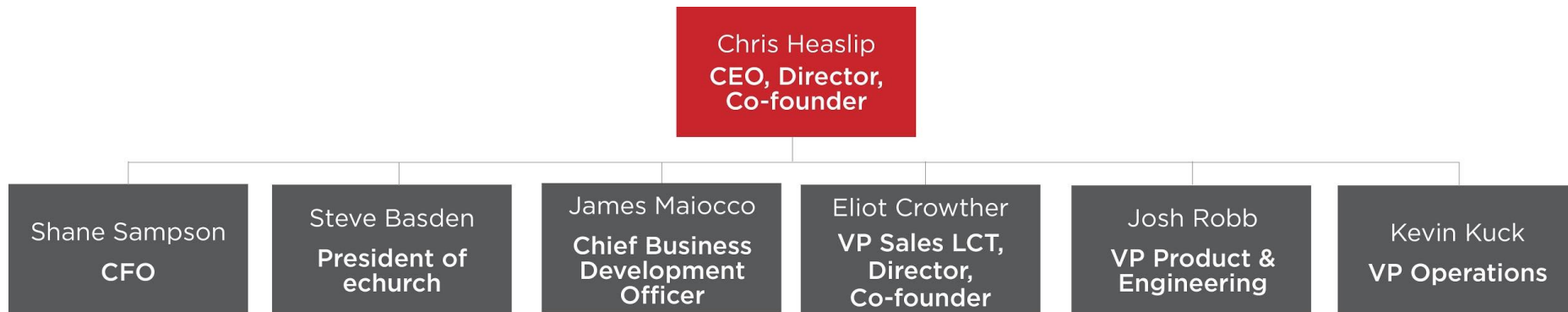
Average Increase in Giving Per Person, Per Month



US\$397,268

Increase in donations per annum
(around 5.7%)

APPENDIX- ORGANIZATIONAL CHART



Breakdown of staff by department as of March 31, 2017

Sales and marketing	161
Customer support and fulfillment	58
Product development	96
Head office and IT/operations	61
Total	376

PERFORMANCE HIGHLIGHTS



Key metrics	Quarter ended 31 Mar 2016	Quarter ended 31 Mar 2017	% Change
<i>Increase in ACMR over the quarter</i>	US\$5.8m	US\$8.3m	41.8%
<i>ACMR</i>	US\$19.6m	US\$50.5m	157.7%
<i>Average Revenue Per Customer (ARPC)</i>	US\$434 per month	US\$625 per month	44.1%
<i>Total Customers</i>	3,766	6,737	78.9%
<i>Months to Recover Customer Acquisition Cost (CAC)</i>	<12 months	<12 months	✓
<i>Annual Revenue Retention Rate</i>	>95%	>95%	✓
<i>Staff Headcount</i>	215	376	74.9%
<i>Cash and Available Funding Lines</i>	US\$11.2m	US\$13.4m	20.0%

USA FAITH SECTOR BREAK-DOWN⁵



Denomination	Number of Churches	Total Attendance
Evangelical and Protestant	286,626	77,546,696
Catholic	20,589	58,928,987
Latter-day Saints	14,393	6,267,771
Other Faiths	11,661	6,667,542
Other Christian	9,074	218,625
Orthodox Christian	2,551	1,056,535
Total	344,894	150,686,156

Notable facts:⁶

- Total giving of US\$119 billion in 2015
- Giving has increased over 2% per year over the last 10 years and at an average rate of 3.13% over the last three years
- Donations are tax deductible in The USA, Canada, Australia and New Zealand

KEY METRICS



Annual Revenue Retention Rate – is recurring revenue retained from Customers (for example, in the case of Customers in the faith sector, this is measured by the amount of recurring revenue at the end of the period excluding upsells into the existing Customer base, over the amount of recurring revenue from the end of the previous period).

Annualised Committed Monthly Revenue (ACMR) – is monthly Average Revenue Per Customer (ARPC) multiplied by total Customers and annualised. ACMR is a key metric to track how a SaaS business is acquiring revenue.

Annualised Monthly Payment Transaction Volume – is the annualised four week average payment transaction volume, excluding weeks falling in December given this is a seasonal high period.

Average Revenue Per Customer (ARPC)

Current definition	Future updates to definition	Effective date
Average Revenue Per Customer (ARPC) – is the combination of monthly Subscription Fees and Volume Fees divided by total Customers. Subscription Fees are based on the customer product holding which can vary based on the size of the Customer and Volume Fees are based on payment transaction volume. For Customers who use Pushpay's payment solution, Volume Fees are recognised on a gross basis and associated costs payable to issuing banks, processing partners and the card brands, such as Visa and MasterCard, are classified as expenses. In order to remove the seasonal effect on Volume Fees the last 12-month average Volume Fee per Customer is used for the Volume Fee component of ARPC.	Last sentence will be updated to read: "The last 9-month average Volume Fee per Customer is used for the Volume Fee component of ARPC."	30 June 2017
	Last sentence will be updated to read: "The last 6-month average Volume Fee per Customer is used for the Volume Fee component of ARPC."	30 September 2017
	Last sentence will be updated to read: "The last 3-month average Volume Fee per Customer is used for the Volume Fee component of ARPC."	31 December 2017

Customer – is an entity that utilises one or more Pushpay products. Pushpay reports Customers that have entered into an agreement and completed the paperwork necessary to setup their service.

Customer Acquisition Cost (CAC) – is sales, marketing and implementation costs divided by the number of new Customers added over a certain period of time.

Months to Recover CAC – (CAC months or months of ARPC to recover CAC) is the number of months of revenue required to recover the cost of acquiring each new Customer.

Staff Headcount – is total employees at a specific point in time.

Subscription Fees – is recurring fees based on Customer product holding which can vary based on the size of the Customer (in the case of the faith sector, size is based on average weekly attendance).

Volume Fees – is variable fee income generated from payment transaction volume (in the case of the faith sector, this is usually a percentage of total donations).