



Annual Results | 2019

investors@pushpay.com
www.pushpay.com

Important notice

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NZSX:PPH | ASX:PPH | New Zealand Company Number: 3481675 | ARBN: 613 314 104

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All information in this presentation is current at the date of this presentation, unless stated otherwise. All currency amounts are in United States Dollars (USD) unless stated otherwise. Please refer to the Appendix for definitions of key metrics used in this presentation.

Agenda

1. Chief Executive update
2. A leading cloud-first solution
3. People and culture
4. Finance update
5. Outlook
6. Questions

A photograph of two men sitting at a wooden table in a cafe or office setting. The man on the left, wearing a blue denim jacket, is smiling and looking at a smartphone he is holding. The man on the right, wearing glasses and a light-colored shirt, is also smiling and looking towards the first man. Two white coffee cups are on the table in front of them. The background is softly blurred, showing what appears to be an office or meeting area.

Chief Executive update

Sustainable growth, expanding operating leverage

Total revenue

US\$98.4 million up from US\$70.2 million, an increase of 40% over the year to 31 March 2019

NPAT

US\$18.8 million up from a loss of US\$23.3 million, an increase of 181% over the year to 31 March 2019

ARPC

US\$1,315 per month up from US\$989 per month, an increase of 33% over the year to 31 March 2019

Months to Recover CAC

<18 months remaining stable over the year to 31 March 2019

Operating Revenue

US\$95.9 million up from US\$67.7 million, an increase of 42% over the year to 31 March 2019

Cash and Cash Equivalents

US\$13.9 million down from US\$17.9 million, a decrease of 22% over the year to 31 March 2019

Total LTV of Customer base

US\$3.0 billion up from US\$1.9 billion, an increase of 64% over the year to 31 March 2019

Annual Revenue Retention Rate

>100% remaining stable over the year to 31 March 2019

EBITDAF

US\$1.6 million up from a loss of US\$18.6 million, an increase of 108% over the year to 31 March 2019

Total Customers

7,649 up from 7,276, an increase of 5% over the year to 31 March 2019

Annualised Processing Volume

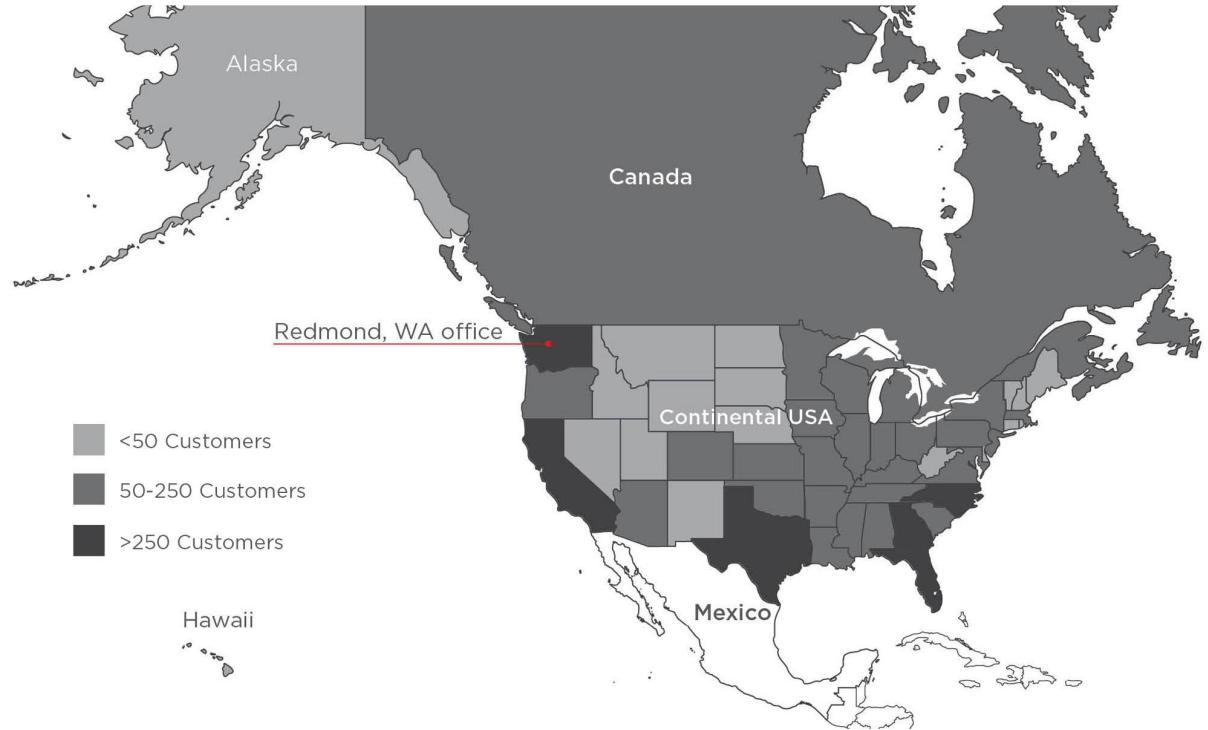
US\$4.2 billion up from US\$3.0 billion, an increase of 40% over the year to 31 March 2019

Staff Headcount

389 up from 350, an increase of 11% over the year to 31 March 2019

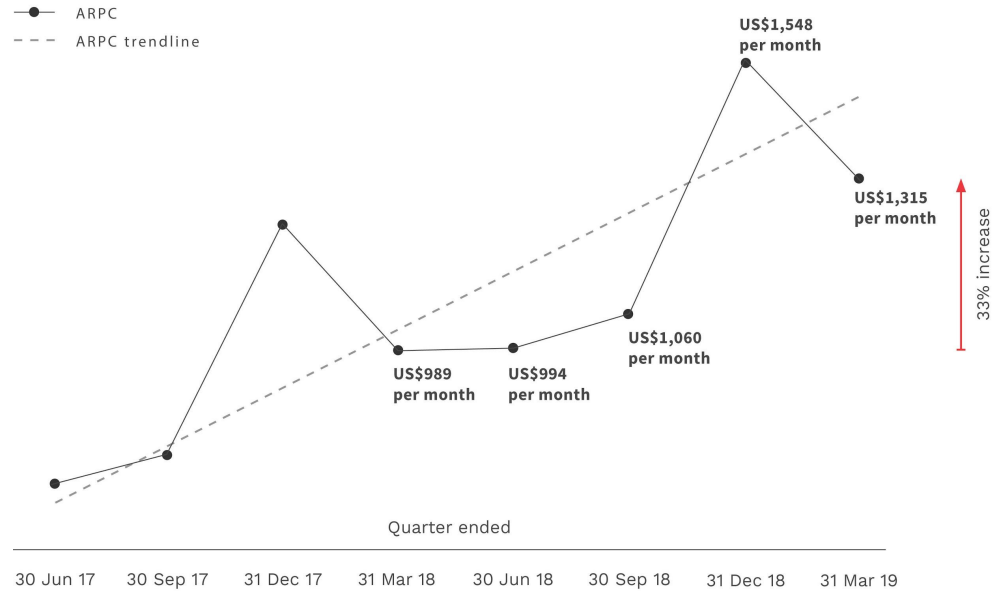
Customers*

7,649
total
Customers
as at 31 March 2019



* Map includes locations in North America of Customers which have been added to the Pushpay platform as at 31 March 2019.

ARPC growth of 33%



18.9 million

transactions processed over the year

US\$192

average transaction value over the year

19 countries

with supported payments

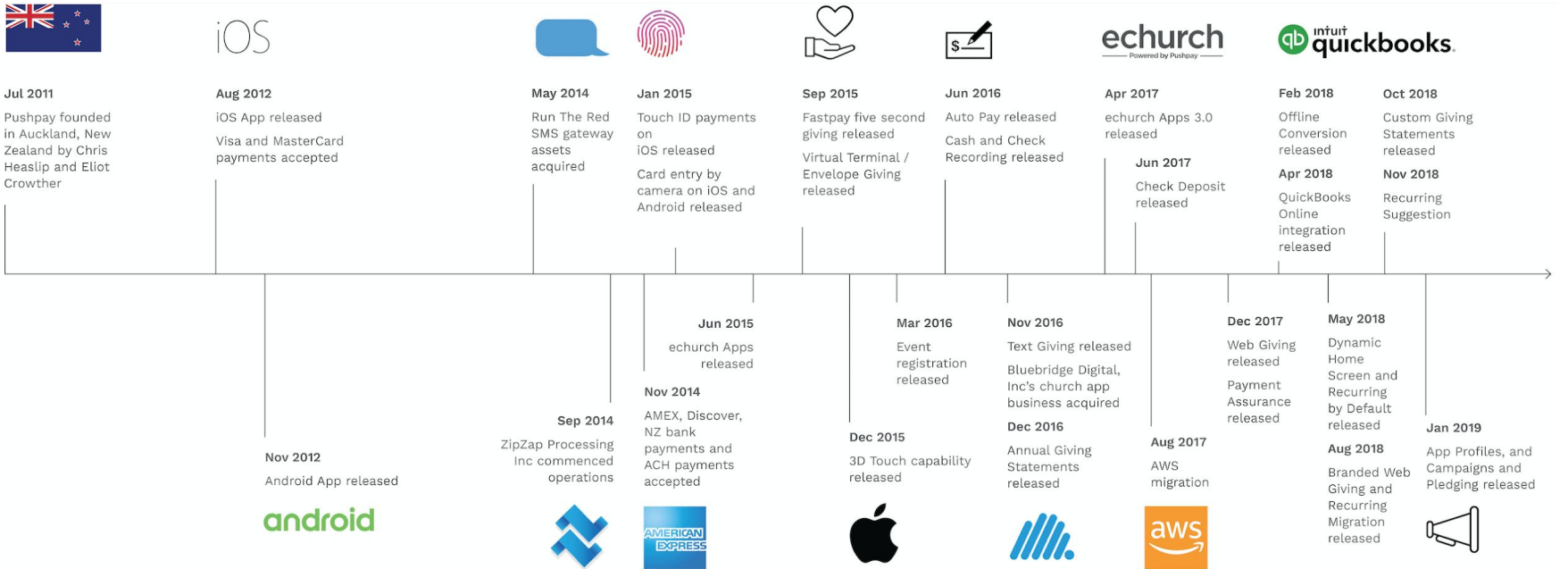
Our success provides a significant platform for Pushpay to engage and attract more medium and large customers.



Track record of success

- ✓ 31 December 2014 targets achieved
- ✓ 31 March 2015 target exceeded
- ✓ 30 September 2015 target exceeded
- ✓ 31 March 2016 target exceeded
- ✓ 31 December 2017 target exceeded
- ✓ 31 March 2018 target achieved
- ✓ 30 June 2018 target achieved
- ✓ 30 September 2018 target achieved
- ✓ Achieved breakeven on a monthly cash flow basis by the end of calendar 2018
- ✓ Total revenue and gross margin guidance for the year ending 31 March 2019 achieved

Product design and development



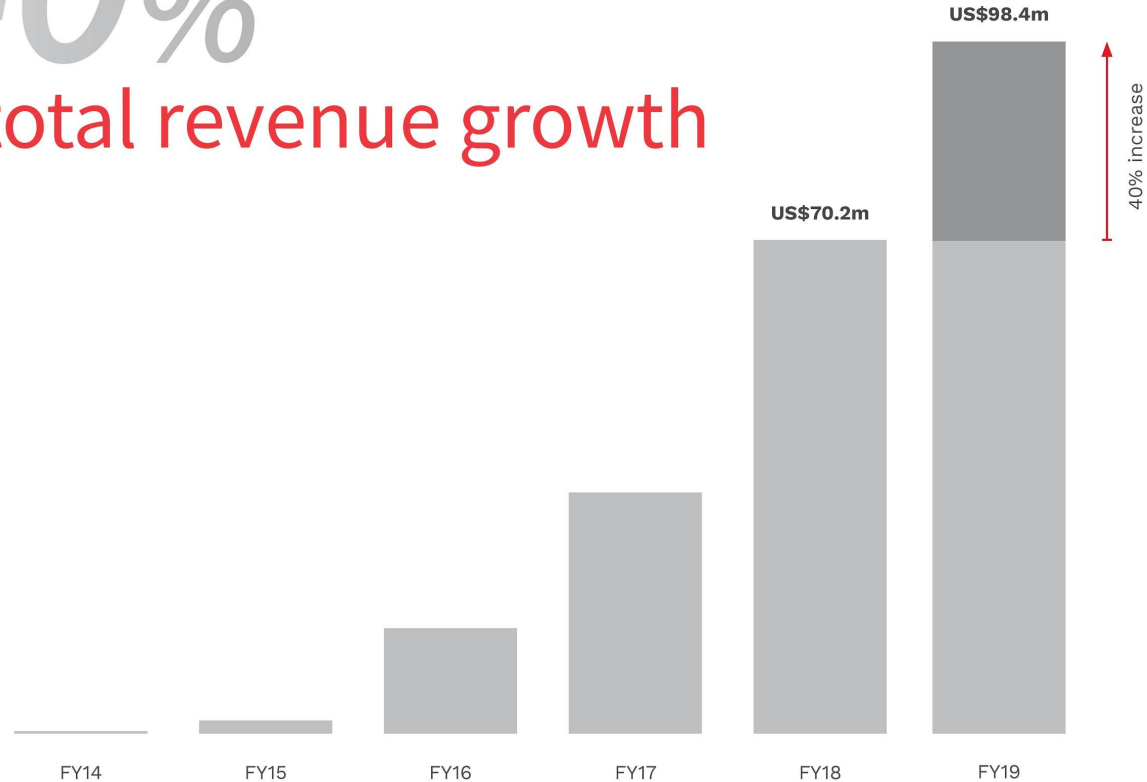


"Love Week", Elevation Church
Charlotte, North Carolina, US

We continue to drive social good, with a platform that has been built for scale.

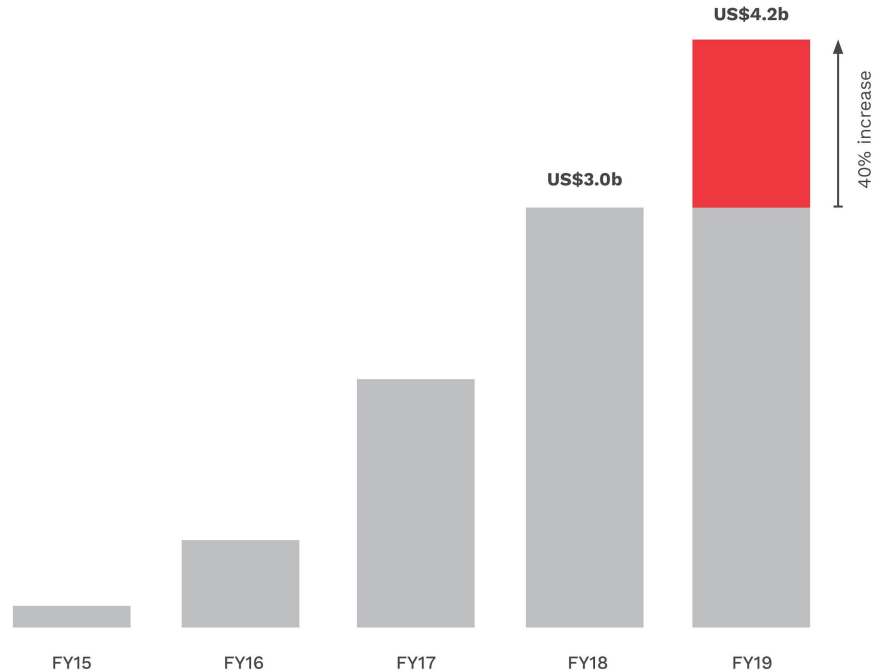
40%

total revenue growth



US\$4.2 billion

Annualised processing volume



People and culture



Michael Erisman, Chief People Officer



Peter Huljich, Alternate Director

A young woman with voluminous curly brown hair and dark-rimmed glasses is smiling broadly while looking at a white smartphone held in her hands. She is wearing a black top. The background is a blurred indoor setting with a window. The text 'A leading cloud-first solution' is overlaid on the left side of the image in a white, sans-serif font.

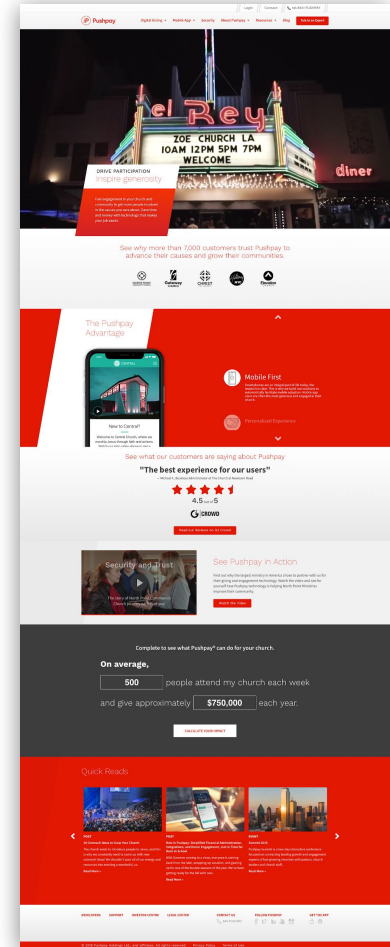
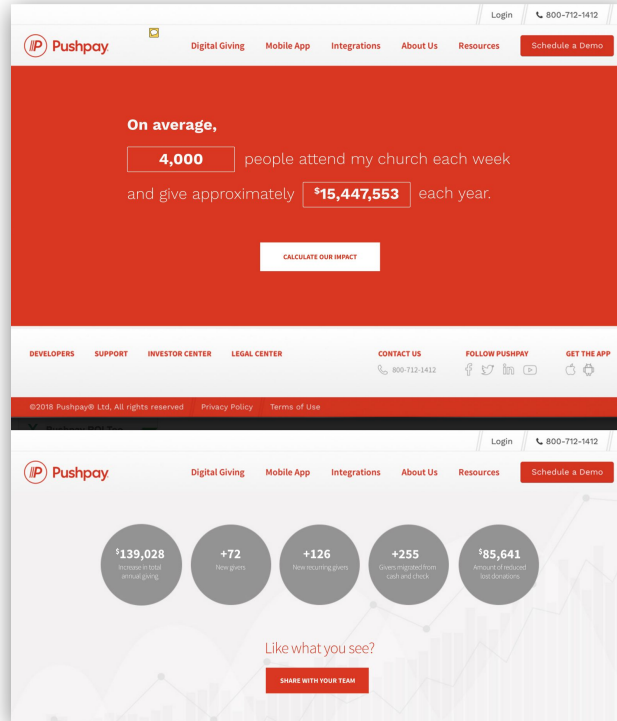
A leading
cloud-first
solution

Brand consolidation



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Summit One Day

- Over 627 church leaders
- 228 unique churches
- 32 US states
- Two countries
- Sold-out conference
- In Charlotte, North Carolina, US



Industry recognition



Westpac Auckland Business Awards

North - West | **Central** | South - East

Winner Supreme Business Excellence Award 2018



Westpac Auckland Business Awards

North - West | **Central** | South - East

Winner Excellence in International Trade 2018

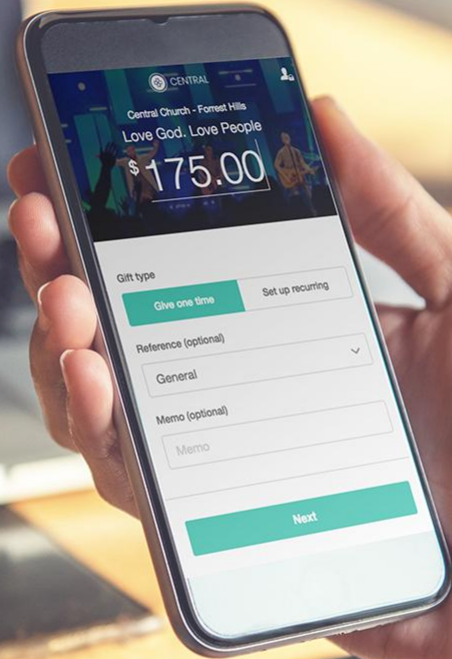


Westpac Auckland Business Awards
Best of the Best 2018

Winner Excellence in International Trade



Finance update

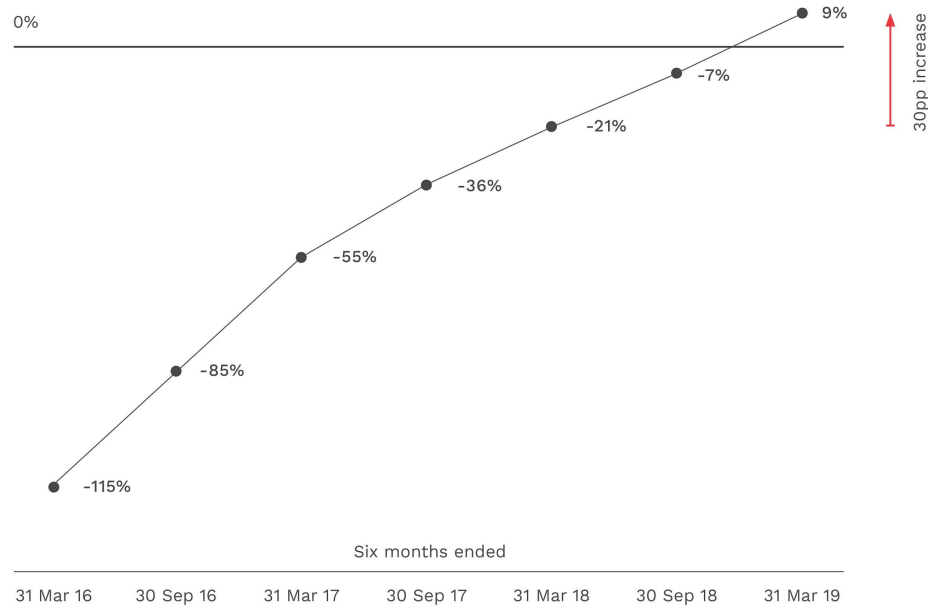


Income Statement

	<i>Year ended 31 March 2019 US\$000</i>	<i>Year ended 31 March 2018 US\$000</i>	<i>Movement US\$000</i>	<i>Change</i>
Total revenue	98,365	70,190	28,175	40%
Total expenses	(99,781)	(92,854)	(6,927)	7%
Net loss before tax	(1,416)	(22,664)	21,248	-94%
Income tax benefit/(expense)	20,243	(603)	20,846	3,457% [†]
Total comprehensive profit/(loss) for the year	17,649	(23,397)	41,046	175% [†]

[†] Improved percentage variance

EBITDAF as a percentage of operating revenue

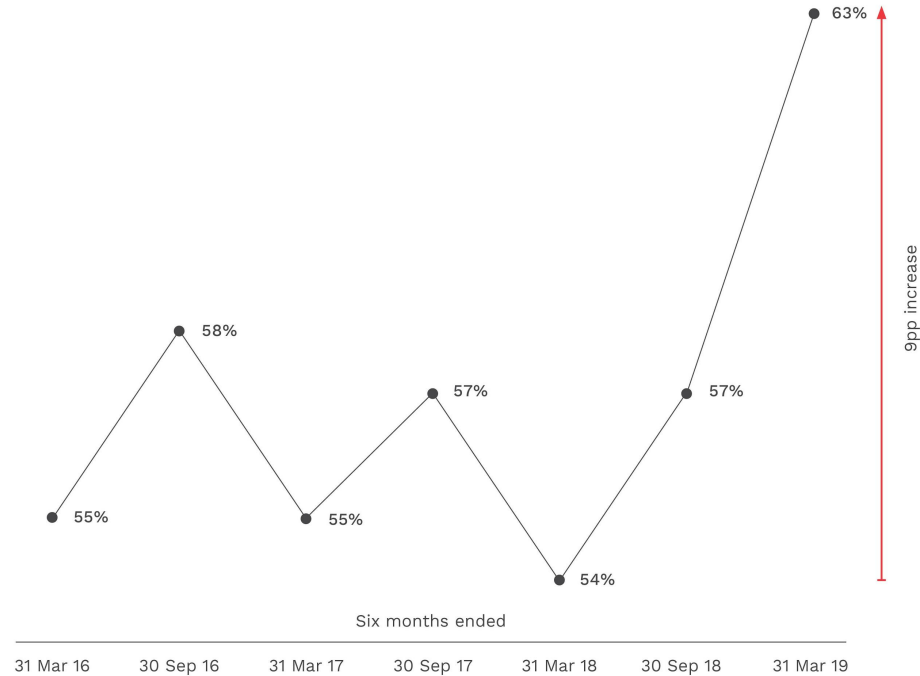


Business results and gross profit

	<i>Year ended 31 March 2019</i>	<i>Year ended 31 March 2018</i>	<i>Movement</i>	<i>Change</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	
Subscription revenue	26,656	19,749	6,907	35%
Processing revenue	69,251	47,948	21,303	44%
Total operating revenue	95,907	67,697	28,210	42%
Third party direct costs	37,889	30,232	7,657	25%
Gross profit	58,018	37,465	20,553	55%
<i>Percentage of operating revenue</i>	<i>60%</i>	<i>55%</i>		<i>5pp</i>

Note - pp means percentage point.

Gross margin percentage

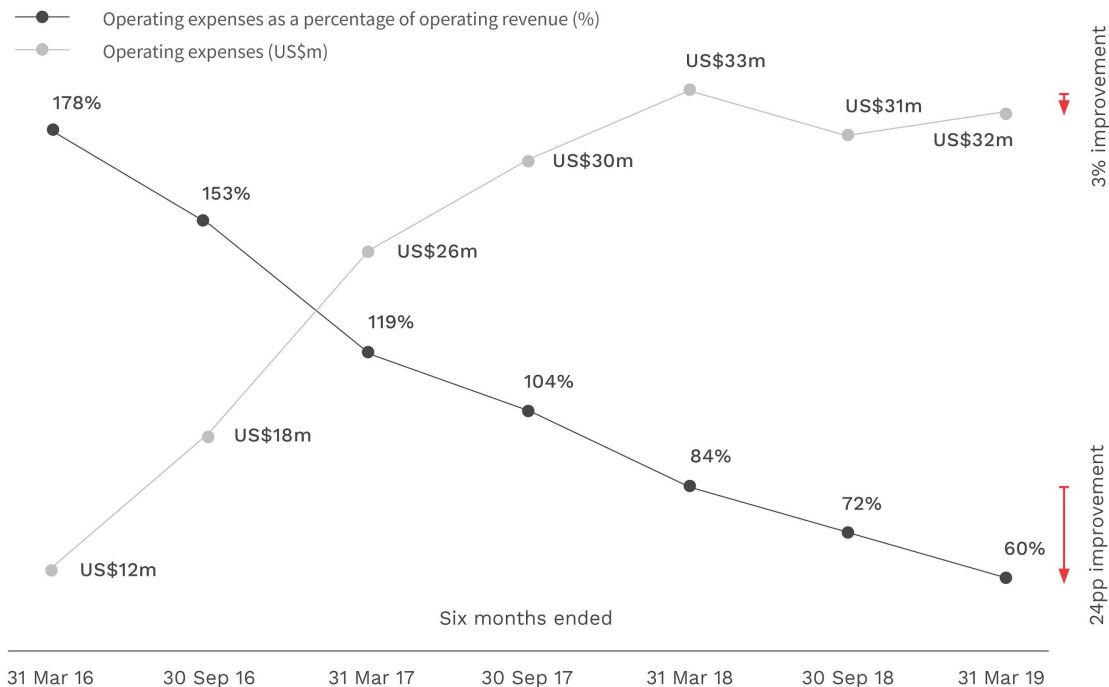


Operating expenses

	<i>Year ended 31 March 2019 US\$000</i>	<i>Year ended 31 March 2018 US\$000</i>	<i>Movement US\$000</i>	<i>Change</i>
Product design and development	(17,111)	(15,200)	(1,911)	13%
Sales and marketing	(28,591)	(29,056)	465	-2%
Customer success	(5,868)	(6,237)	369	-6%
General and administration	(10,954)	(12,137)	1,183	-10%
Total operating expenses	(62,524)	(62,630)	106	0%
<i>Percentage of operating revenue</i>	<i>65%</i>	<i>93%</i>		<i>-28pp</i>

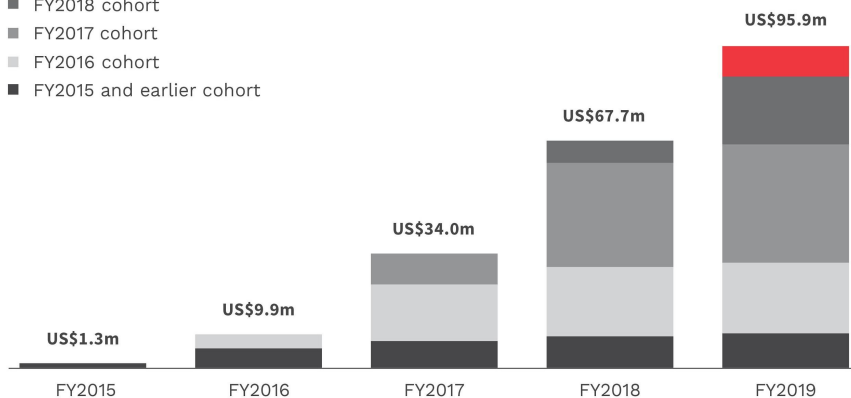
Note - pp means percentage point.

Operating expenses



Customer revenue cohort information

- FY2019 cohort
- FY2018 cohort
- FY2017 cohort
- FY2016 cohort
- FY2015 and earlier cohort



(US\$)	FY2015	FY2016	FY2017	FY2018	FY2019	CAGR
FY2015 and earlier cohort	\$1.3M	\$5.7M	\$7.9M	\$9.3M	\$10.2M	67%
FY2016 cohort		\$4.2M	\$16.9M	\$20.7M	\$21.1M	71%
FY2017 cohort			\$9.2M	\$31.1M	\$35.3M	97%
FY2018 cohort				\$6.6M	\$20.2M	205%
FY2019 cohort					\$9.1M	N/A
Total	\$1.3M	\$9.9M	\$34.0M	\$67.7M	\$95.9M	N/A

Statement of Cash Flows

	<i>Year ended 31 March 2019</i>	<i>Year ended 31 March 2018</i>	<i>Movement</i>	<i>Change</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	
Receipts from customers	58,192	38,781	19,411	50%
Other operating activities	(60,949)	(55,917)	(5,032)	9%
Net cash flows from operating activities	(2,757)	(17,136)	14,379	-84%
Net cash flows from investing activities	(300)	(2,532)	2,232	-88%
Net cash flows from financing activities	-	24,599	(24,599)	-100%
Net increase in cash and cash equivalents	(3,057)	4,931	(7,988)	-162%
Cash & cash equivalents at end of the year	13,926	17,886	(3,960)	-22%

Statement of Financial Position

	<i>As at 31 March 2019</i>	<i>As at 31 March 2018</i>	<i>Movement</i>	<i>Change</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	
Cash and cash equivalents	13,926	17,886	(3,960)	-22%
Other assets	39,799	16,754	23,045	138%
Unearned revenue	(7,097)	(7,206)	109	-2%
Other current liabilities	(5,834)	(5,746)	(88)	2%
Net assets/total equity	40,794	21,688	19,106	88%

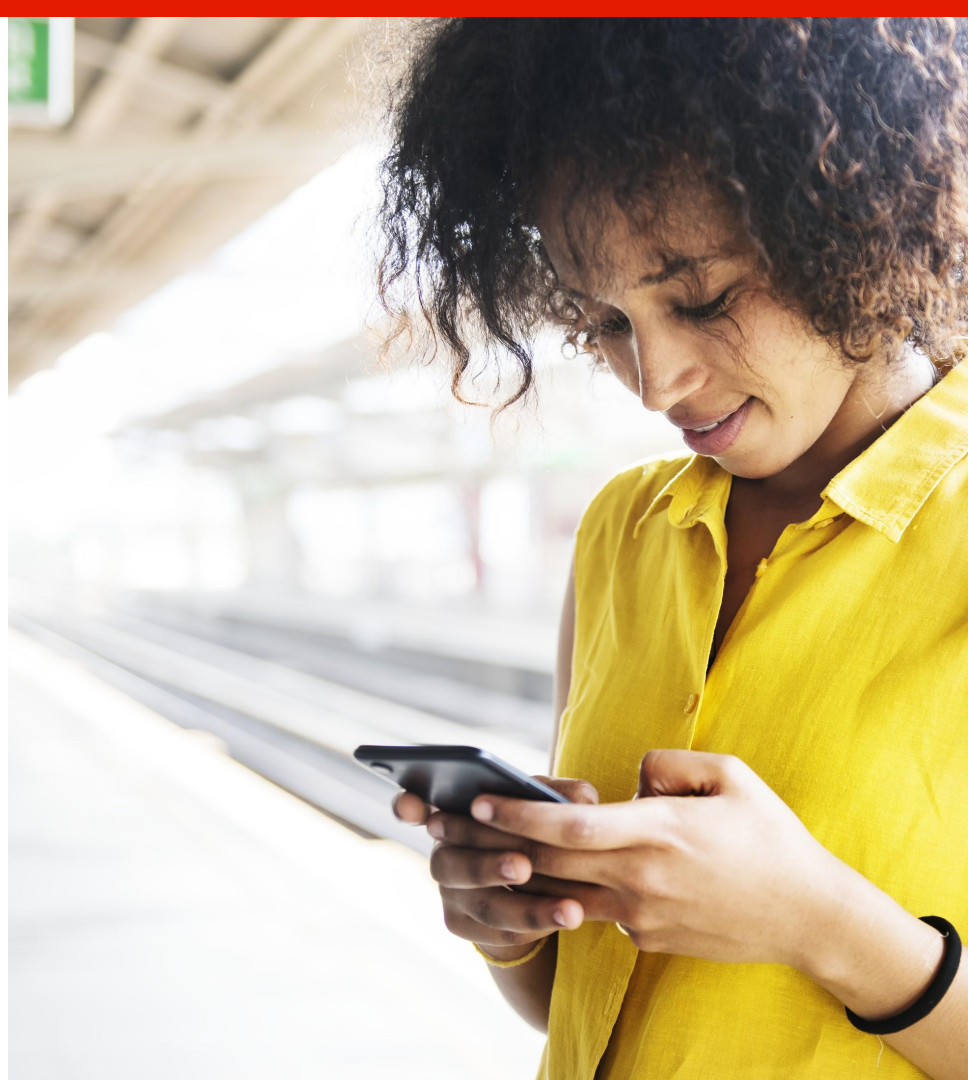
Outlook



A blurred background of a diverse group of people sitting in a room, with a hand reaching out from the foreground. The word "Questions" is overlaid in white text.

Questions

Appendix



Staff headcount

<i>As at 31 March</i>	<i>2019</i>	<i>2018</i>	<i>Change</i>
Product design and development	104	89	17%
Sales and marketing	147	138	7%
Customer success	73	56	30%
General and administration	65	67	-3%
Total group	389	350	11%

Key metric definitions

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 Processing Volume – is the annualised four week average payment transaction volume through the Pushpay payment platform, that Pushpay derives revenue from.

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. The in-month average Volume Fee per Customer is used for the Volume Fee component of ARPC.

Cash and Cash Equivalents – is cash on hand; deposits held at call with financial institutions; and other short-term, highly liquid investments readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

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 set up their service. Pushpay views Customers with 0-199 average weekly attendees as small, 200-1,099 average weekly attendees as medium and 1,100 or more average weekly attendees as large.

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

Earnings before Interest, Tax, Depreciation, Amortisation and Foreign Currency (gains)/losses (EBITDAF) – is a non-GAAP financial measure calculated by adding back net interest income, depreciation and amortisation, income tax expense and net foreign currency gains/losses to net gain/(loss).

Lifetime Value (LTV) – is the gross margin expected from a Customer over the lifetime of that Customer. This is calculated by taking the ARPC multiplied by 12, multiplied by the gross profit percentage, multiplied by the average Customer lifetime (the average Customer lifetime is 1 divided by churn, being one minus the Annual Revenue Retention Rate). A 97.5% Annual Revenue Retention Rate is used for the purposes of the calculation. Total LTV is calculated as LTV multiplied by total Customers.

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.

Net Profit after Tax (NPAT) – is revenue less third party direct costs, total operating expenses, net foreign exchange gains/losses and taxes.

Operating Revenue – is receipts received from Customers calculated in accordance with IFRS accounting standards.

Staff Headcount – is total number of 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).

Total Processing Volume – is payment transaction volume through the Pushpay payment platform, that Pushpay derives revenue from within a period.

Total Revenue – is receipts received from Customers and other income calculated in accordance with IFRS accounting standards.

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).

