

## AUDITED FINANCIAL RESULTS FOR THE YEAR TO THE END OF MARCH 2025

PaySauce extends unbroken record of growth with revitalised customer recruitment

### Lower Hutt, New Zealand - 21 May 2025

Software as a Service Fintech PaySauce (NZX: PYS) today reports its second consecutive year of positive, and strongly growing operating earnings as it has strengthened its position as the preferred provider of payroll services to New Zealand's micro businesses.

It also reports key strategic achievements in the following areas; diversifying its customer base into the trades and construction verticals; further success in building relationships with accounting partners; and significant progress towards a unified multi-jurisdictional payroll product that leverages the full capability of the new Gen 2.0 payroll engine.

### FINANCIAL HIGHLIGHTS<sup>1</sup>

- **Operating revenue:** \$9.0m up 17% from \$7.7m.
- **Processing fee income:** \$6.3m up 18% lifted by an 11% increase in customers to 8,204.
- **EBTDA<sup>2</sup>:** \$1.4m, up \$0.3m as revenue growth more than offset investments for growth and general inflationary pressures.
- **Net profit before tax:** \$0.46m up \$0.27m from \$0.19m. Second consecutive profit.

Chair Shelley Ruha said: "We've continued to deliver strong growth and profitability whilst investing in the company's future, with increased spend into research and development activity as we stride closer to the completion of the unified multi-jurisdictional payroll product that will accelerate customer and revenue growth."

Chief Executive Officer and Co-Founder Asantha Wijeyeratne said: "As I look back on the 2025 financial year three strategic achievements stand out. Firstly, our success in diversifying our business away from the core dairy industry vertical into the trades and construction verticals.

"Secondly, our success in building relationships with accountants all around New Zealand, a key source of customer referrals. And finally, the progress we have made

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<sup>1</sup> All comparisons are against FY24 unless otherwise stated.

<sup>2</sup> Earnings before tax depreciation and amortisation is a non-GAAP measure of financial performance. It is defined and reconciled to the GAAP measure of net profit on page 17 of the company's annual report released to the NZX today and available on the company's website.

towards a unified multi-jurisdictional payroll product that leverages the full capability of our new Gen 2.0 payroll engine.

“All three achievements are positioning the company to deliver a strong result in FY26 and beyond.”

## FINANCIAL PERFORMANCE

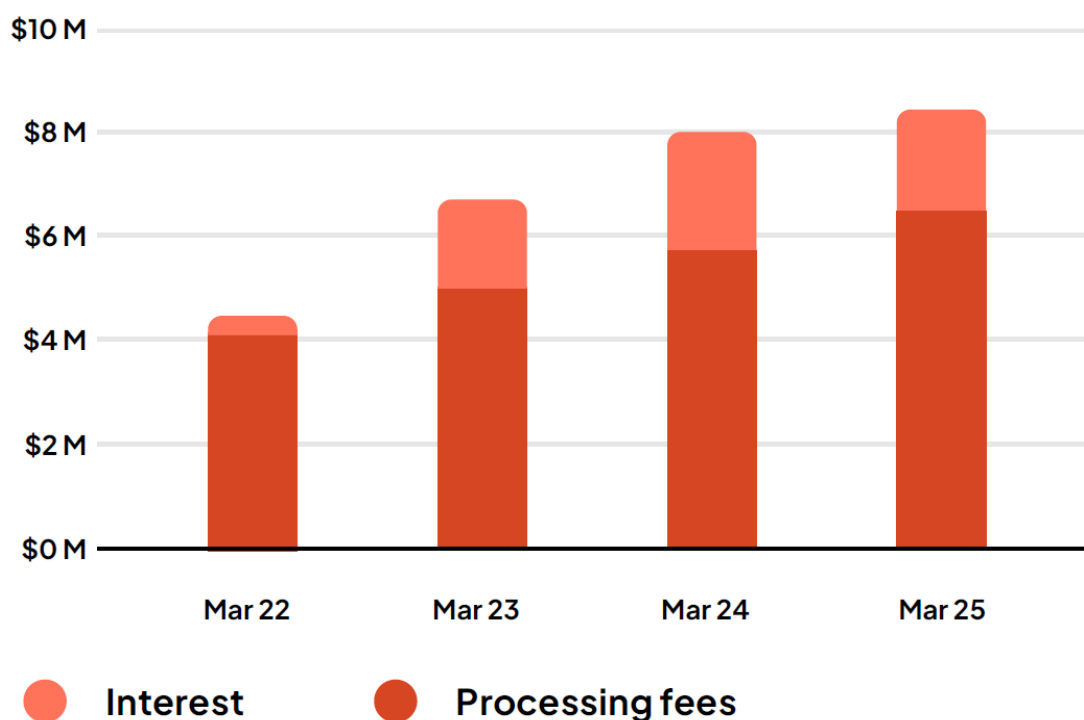
Operating revenue for the year to the end of March 2025 rose 17% to \$9.0m from \$7.7m in the prior year. The result was underpinned by the increase in customer numbers, up 11% on March 2024 to 8,204.

Processing fee income rose by 18% to \$6.3m from \$5.4m in FY24 lifted by the increase in customers and an increase in the average processing fee per user, which helped absorb some of the pricing pressures observed during the year.

Interest income rose by 6% to \$2.3m due to an increase in the balance of customer funds, however growth was limited by an easing in wholesale interest rates over the financial year and particularly in the fourth quarter.

Average revenue per user (ARPU) fell 5% to \$86 from \$91 as at 31 March 2024, with the increase in processing fee income diluted by the fall in interest rate income.

## Annualised recurring revenue



This also impacted ARR which rose to \$8.5m as at 31 March 2025, compared to \$8.0m at the same time a year ago. ARR from processing fees grew 14% year on year to \$6.5m, more than offsetting the decline in ARR from interest revenue of 14% to \$2.0m.

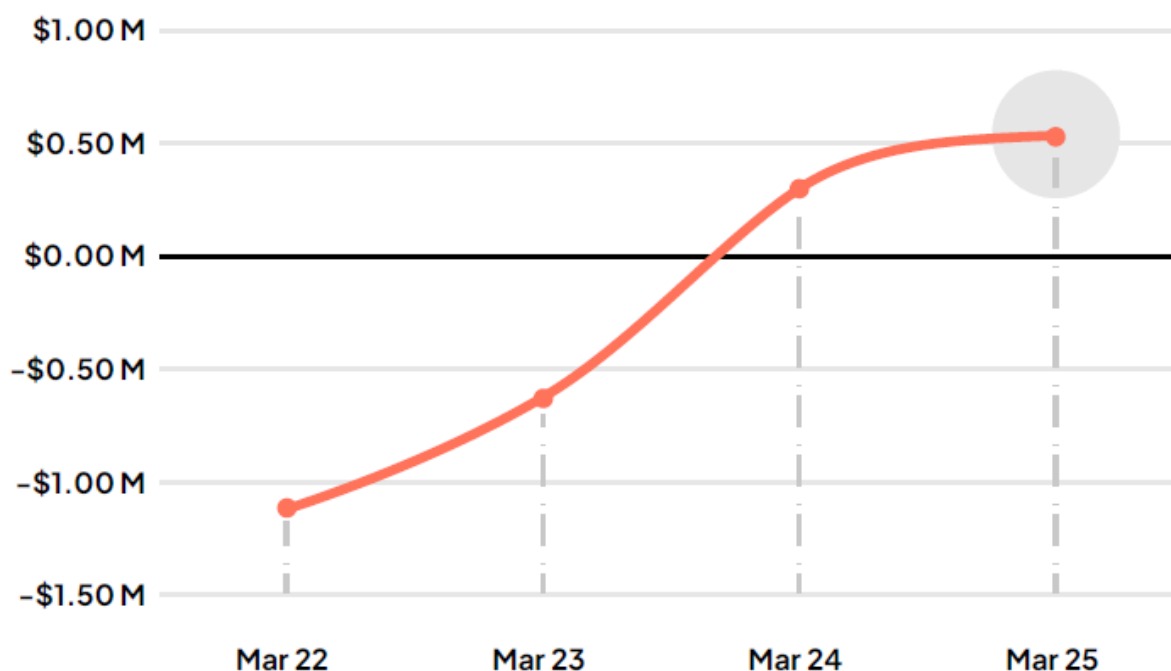
PaySauce achieved a net profit before tax of \$0.46m, an increase of \$0.27m from FY24. Net profit after tax was \$0.68m, down \$0.55m from last year, as the FY24 net profit after tax was inflated by a deferred tax asset of \$1.02m recognised in relation to the losses carried forward.

PaySauce delivered EBTDA of \$1.35m, up \$0.29m (29%), as efficiency gains from investment into systems and processes delivered benefits. Recurring revenue growth of \$1.08m (14%) outpaced expenditure increases of \$0.99m (15%).

Free cash flow of \$0.50m increased \$0.20m on FY24. This was driven by an increase in net cash from operating activities (excluding funds held on behalf of customers) of \$0.69m, up 47% year on year to \$2.2m.

## Free cash flow

(excluding funds held on behalf of customers)

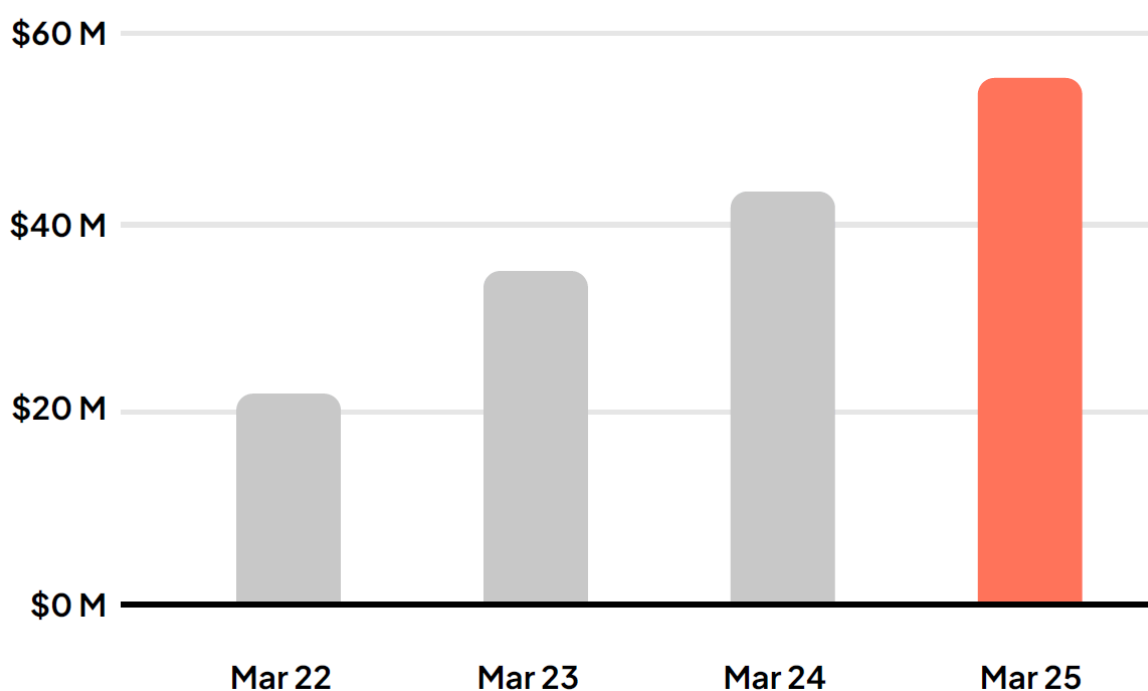


PaySauce continued to improve its key customer metrics, seeing a reduction in monthly churn to 0.99% per month, and an improvement in the gross margin percentage from 77% to 78% as the cost to serve customers reduced on a per customer basis.

Despite the decrease in overall ARPU, with the decline in interest revenue more than offsetting the increase in processing fees, there was an increase in customer lifetime value (LTV) to \$6,700 per customer.

This growth in customer LTV, combined with the increase in customer numbers during the year, resulted in an increase in the total customer lifetime value of 28% to \$55.3m as at 31 March 2025.

## Total Customer LTV



## STRATEGIC PROGRESS

Having completed the new Gen 2.0 payroll engine in 2024, PaySauce has focussed efforts on the development and roll out of a single advanced user interface which will enable the delivery of a top of class cloud and mobile payroll experience globally over time.

The key focus for PaySauce's target microbusiness customer is on the mobile experience for those employers who want to run their payroll on the go. This will



enable an accessible payroll experience for those micro employers with little to no payroll knowledge, ensuring their onboarding and subsequent payroll processing is as easy as possible for the non-expert user. Aligning to the requirements of PaySauce's target market will accelerate customer growth and enable more rapid and effective scalability of business operations.

## **OUTLOOK**

Asantha Wijeyeratne said he was excited about the opportunities ahead.

"Our long-term success, and the driver of growing shareholder value, is linked to driving customer growth. Delivering these customers the two things they expect from us - peace of mind with easy pay runs and more time to run their business will allow us to continue to grow.

"One key initiative in the coming year will be to prove the potential for the business in Australia. Our payroll engine is primed and we're hyper-focused on delivering an awesome payroll experience for microbusinesses in Australia.

"From our market analysis there is a significant opportunity for our technology to reduce and simplify the payroll compliance burden that Australian microbusinesses currently navigate. We're excited at this opportunity and as an entry point we intend to focus on the industry sectors and partnerships that we know and have generated sustained growth in New Zealand.

"I look forward to updating you on our progress in the coming months."

Further detail on the company's performance is included in the annual report and investor presentation released to the NZX today and also available on the company's investor website: <https://www.paysauce.com/investor/#/documents>

PaySauce will host an Investor and Media conference call today to discuss the full year result.

The conference call is scheduled to begin at 10.00 am NZDT.

Investors and media are invited to attend the conference call, and can register their interest by emailing [investor@paysauce.com](mailto:investor@paysauce.com) before 9am to receive the conference call link.

Released for and on behalf of PaySauce by Jaime Monaghan, Chief Financial Officer.

**ENDS**



## **ABOUT PAYSAUCE**

PaySauce is a SaaS fintech platform providing solutions for people at work in 14 jurisdictions across the Asia-Pacific region. The technology enables small employers to digitally onboard, pay and manage employees from any device. The platform includes rosters, mobile timesheets, payroll calculations, banking integration, automated payments, PAYE filing, labour costing, and automated general ledger entries. The PayNow feature enables customers' employees to access the pay they've earned before payday, providing a free alternative to payday lenders. [www.paysauce.com](http://www.paysauce.com)

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