

16 April 2025

3Q FY25 results update Upgraded FY25 guidance following accelerated growth and momentum

Zip Co Limited (ASX: ZIP) (“**Zip**”, or the “**Company**”) today announced its third quarter update for the three-month period ended 31 March 2025 (“**3Q25**”). Following continued strong performance year to date, Zip upgraded its guidance for FY25 and now expects to deliver cash EBTDA of at least \$153.0m, (compared to prior guidance of at least \$147.0m).

3Q25 GROUP HIGHLIGHTS

- Cash EBTDA of \$46.0m (up 219.4% vs 3Q24¹)
- TTV of \$3.3b (up 35.7% vs 3Q24)
- Total income of \$278.9m (up 26.5% vs 3Q24)
- Revenue margin of 8.6% (vs 9.2% in 3Q24), reflecting higher US contribution
- Transactions of 22.8m (up 27.3% vs 3Q24)
- Net bad debts approximately 1.6% of TTV (vs 1.7% of TTV in 3Q24)
- Cash transaction margin of 3.9% (vs 3.9% in 3Q24)
- Active customers at quarter end of 6.3m (up 4.2% vs 3Q24)
- Merchants on Zip’s platforms increased to 83.3k (up 7.2% vs 3Q24) including signing large merchants in the US such as Temu and Tire Agent, and expanding GameStop to online
- Continued focus on operating leverage resulted in an operating margin (cash EBTDA divided by total income) of 16.5% for 3Q25 (vs 13.0% in 2Q25)

Zip Group CEO and Managing Director, Cynthia Scott said:

“Zip’s momentum continued in the third quarter, reflecting the resilience of our business model, accelerated growth across both markets, and disciplined execution of our strategy. We delivered the largest ever quarterly cash earnings in Zip’s history of \$46.0m, underpinned by material operating leverage.

Our US business continues to deliver significant growth, with TTV and revenue increasing 40.2% and 44.1% year on year respectively, driven by deeper customer engagement. Momentum in the ANZ business continued, with TTV increasing 12.6% year on year.

We delivered a strong result in net bad debts across both markets which reduced to 1.6% of TTV, reflecting the discipline of our credit decisioning processes. Pleasingly, monthly US cohort loss rates for the third quarter are expected to be approximately 1.3% to 1.5% of TTV.

Looking ahead, we remain focused on executing our strategic priorities, and following the strong third quarter we reconfirm our two-year targets provided at the start of FY25 and upgrade our earnings expectations to deliver cash EBTDA of at least \$153.0 million in FY25.

¹ 3Q24 reported Cash EBTDA included a year-to-date adjustment for cash STI. Adjusting reported 3Q24 Cash EBTDA to reflect one quarter of cash STI, results in a proforma 3Q24 Cash EBTDA of \$18.2m and a 152.7% increase to 3Q25.

BUSINESS PERFORMANCE

All key operating metrics are based on Zip's unaudited management financials as of 31 March 2025.

Financial Performance (AUD)	3Q25	vs 2Q25	vs 3Q24
Revenue	\$276.3m	+2.6%	+26.2%
US	\$173.2m	+4.6%	+51.4%
ANZ	\$103.1m	-0.7%	-1.3%
TTV	\$3,261.4m	-5.0%	+35.7%
US	\$2,366.9m	-2.0%	+47.1%
ANZ	\$894.5m	-12.0%	+12.6%
Transactions	22.8m	-6.6%	+27.3%
US	11.0m	-7.9%	+30.4%
ANZ	11.8m	-5.4%	+24.4%

Operational Performance	At 31 Mar 2025	vs 2Q25	vs 3Q24
Active customers²	6.25m	-1.3%	+4.2%
US	4.18m	-1.0%	+8.7%
ANZ	2.07m	-2.1%	-6.8%
Merchants³	83.3k	+1.6%	+7.2%
US	24.6k	+0.7%	+1.8%
ANZ	58.7k	+2.0%	+9.6%

Net Bad Debts (% of TTV)	3Q25	2Q25	3Q24
Group	1.64%	1.53%	1.72%

² Active customers defined as customer accounts that have had transaction activity in the 12 months to 31 March 2025.

³ Number of accredited merchants.

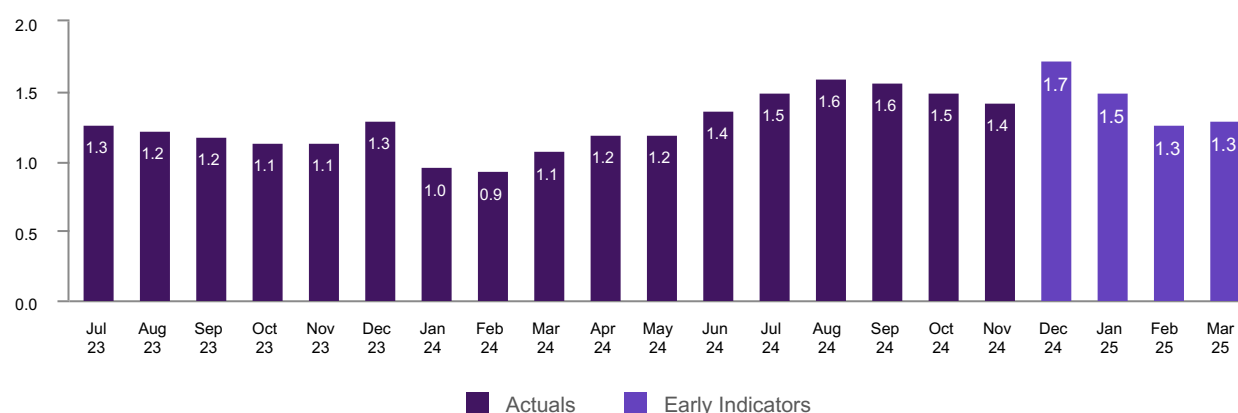
REGIONAL UPDATES

Zip US

Financial Performance	3Q25 (USD)	vs 2Q25 (USD)	vs 3Q24 (USD)
Revenue	\$108.5m	+1.0%	+44.1%
TTV	\$1,483.7m	-5.3%	+40.2%

Credit Performance

US monthly cohorts, 120 day loss performance as a % of cohort TTV



Key highlights in the US included:

- Zip US delivered TTV of US\$1.5b, up 40.2% vs 3Q24 and revenue of US\$108.5m, up 44.1% vs 3Q24, driven by strong growth from existing customers through the App and in-store
- Active customers were up 8.7% year on year at 4.18m, the strongest year-on-year growth since 4Q22. This was broadly flat vs 2Q25 reflecting seasonality
- Monthly US cohort loss rates in the third quarter are expected to deliver losses of approximately 1.3% to 1.5% of TTV, compared to Zip's 1.5% to 2.0% target range, reflecting Zip's disciplined credit decisioning processes and ability to deliver sustainable, profitable growth
- Merchants on the platform increased to 24.6k, up 1.8% vs 3Q24, with Zip's enhanced merchant value proposition continuing to resonate, and channel partnerships continuing to build momentum. New merchants included large enterprises such as Temu and Tire Agent, and the expansion of GameStop to online

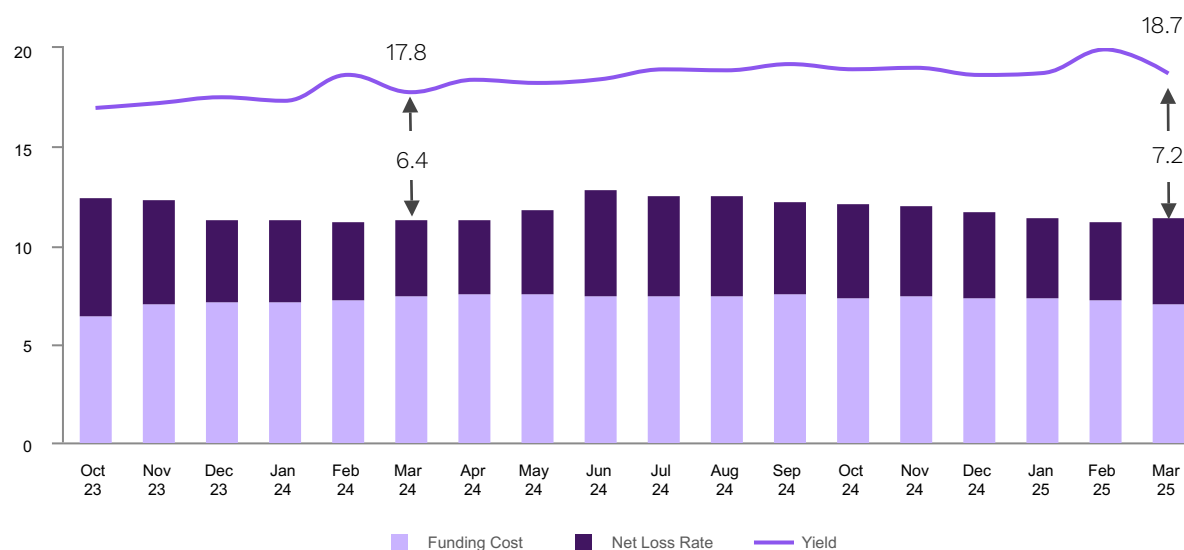
Zip ANZ

Portfolio yield ⁴	As at 31 Mar 25	As at 31 Dec 24	As at 31 Mar 24
AU consumer receivables	18.7%	18.6%	17.8%

Credit Performance (AU) ⁴	As at 31 Mar 25	As at 31 Dec 24
Arrears ⁵	2.43%	2.66%
Net bad debts ⁶	4.02%	3.97%
Receivables	\$2,062.7m	\$2,103.0m

Zip AU portfolio yield and excess spread increased year on year

Zip AU book performance (excess spread)
(% of AU consumer receivables)



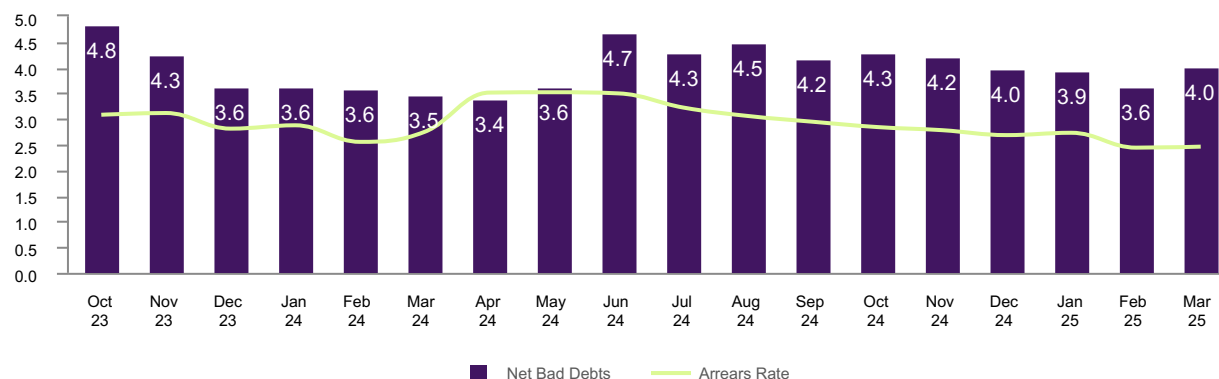
⁴ Calculated on receivables related to Zip AU's Master Trust facilities and funding vehicle 2017-1 Trust.

⁵ Gross arrears are greater than 60 days past due.

⁶ Net bad debts is calculated as annualised net write-offs in the months of March 2025 and December 2024 (net write-offs for the month x 12) over opening receivables for the month.

Continued positive net bad debts performance

(% of AU consumer receivables)



Key highlights in ANZ included:

- Momentum in the ANZ business continues to build with TTV growth accelerating to 12.6% year on year, driven by a strong increase in customer engagement with transaction numbers up 24.4% year on year
- Portfolio management delivered strong outcomes with portfolio yield and excess spread improving year on year to 18.7% and 7.2% respectively, providing a solid foundation as the business executes on strategic settings to support sustainable, profitable growth
- Strong credit performance continues to underpin the ANZ business. Net bad debts are performing in line with management actions and strategic settings, noting a strong performance in February recoveries. The business is well positioned as arrears, a future indicator of net bad debts, continue to improve
- Zip Plus continues to grow across key metrics (customers, TTV and transaction numbers). A Personal Loan product was successfully launched during the quarter, reflecting the business' capability to build and launch new products
- Continued focus on key growth verticals such health and travel, signing National Dental Plan and going live with Cathay Pacific

FUNDING FACILITIES

(as at 31 March 2025)

	Facility vehicle	Facility limit	Drawn at Mar 2025	Maturity
AU	Zip Master Trust			
	- Rated Note Series			
	*2023-1	\$190.0m	\$190.0m	May-26
	*2023-2	\$285.0m	\$285.0m	Oct-26
	*2024-1	\$285.0m	\$285.0m	Oct-25
	*2024-2	\$332.5m	\$332.5m	Sep-27
	- Variable Funding Note	\$468.3m	\$363.8m	Mar-26
	- Variable Funding Note 3	\$285.0m	\$199.5m	Jun-27
	- Variable Funding Note 4	\$285.0m	\$190.0m	Mar-27
	2017-1 Trust	\$155.5m	\$108.7m	Jul-26
	Total	\$2,286.3m	\$1,954.5m	
US	AR3LLC	US\$300.0m	US\$263.0m	Dec-26
NZ	Zip NZ Trust 2021-1	NZ\$20.0m	NZ\$7.0m	Jul-26

Key highlights included:

- As at 31 March 2025, Zip AU had \$331.7m undrawn and available to fund receivables
- Refinancing of VFN1 to March 2026 was completed during the quarter with existing financiers at a reduced margin
- Zip is well advanced on refinancing requirements for the remainder of calendar year 2025

Cash and Liquidity

As at 31 March 2025, Zip had \$436.2m of total cash on the balance sheet with \$204.5m in available cash and liquidity, up from \$195.5m on 31 December 2024. During the quarter, Zip generated \$9.0m of operating cash (comprising cash EBTDA, capex, working capital and receivables funding movements).

Capital management

On 8 April 2025, Zip announced its intention to undertake a buy-back of up to \$50m of ordinary shares which is expected to commence on or about 23 April 2025, for a period of up to 12 months.

The buy-back is consistent with Zip's capital management framework and reflects the strength of the Zip balance sheet, the continued delivery of operating cash flows and Zip's outlook for future profitable growth.

OUTLOOK

For FY25, Zip has upgraded its guidance for cash EBTDA to at least \$153.0 million, including cash opex growth of circa 10%, subject to market conditions. Zip is also on track for its FY25 results to be within its two-year target ranges as previously announced to the market in February 2025.

FY25 financial reporting

Zip is scheduled to provide its next results update to the market on 22 August 2025 through the release of its Appendix 4E and FY25 Financial Report for the 12 months ended 30 June 2025.

This announcement was authorised for release by the CEO and Managing Director on behalf of the Board.

- ENDS -

Disclaimer

The figures presented in this document are based on preliminary data and have not been audited. While every effort has been made to ensure the accuracy of the information, these figures are subject to change.

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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

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 <http://www.computershare.com.au/easyupdate/ZIP>.