



8 May 2020

APRIL TRADING UPDATE
ZIP CONTINUES TO PERFORM STRONGLY

Zip Co Limited (ASX: Z1P) (**Zip** or the **Company**) is pleased to provide a trading update for the month ending 30 April 2020.

GROUP HIGHLIGHTS

- **Monthly revenue of \$15.1m, up 81% YOY (\$45.0m in Q3)**
- **Monthly transaction volume of \$181.6m, up 86% YOY**
- **Receivables of \$1.2b, up 97% YOY**
- **Customer numbers increased to 2.0 million, up 66% YOY (70k added in month)**
- **Merchant numbers increased to 23.1k, up 50% YOY**
- **Net bad debts of 1.99%, significantly outperforming the market**
- **Monthly arrears remained flat at 1.57%**
- **Customer repayment success rates higher or on par with pre COVID-19 rates**
- **Monthly repayments as a percentage of opening receivables increased to 15% (12% in March 2020)**
- **Hardship assistance for customers peaked at end of March (less than 0.08% of receivables)**

Managing Director and CEO Larry Diamond said:

"April was another very strong month for Zip, and in particular when considering the shutdown of a large portion of the economy. Our product differentiation and penetration into purchases for online, the home, and everyday spend categories, delivered robust transaction volume. Our revenue model has continued to deliver a strong result in the face of a challenging economic environment for retail more generally.

The start of May looks to be considerably stronger again relative to April, and we look forward to supporting our retail partners as social restrictions gradually ease and brick and mortar stores begin to re-open."

Executive Director and COO Peter Gray said:

"The investments we have made in our credit and decision technology platform over the last 7 years, our flexible wallet product, and the unique levels of engagement we have with our customers are paying off. We have seen Zip continue to deliver market leading receivables performance. The increased repayment metrics were extremely pleasing, and we are well placed to continue to successfully manage our portfolio in this challenging time."

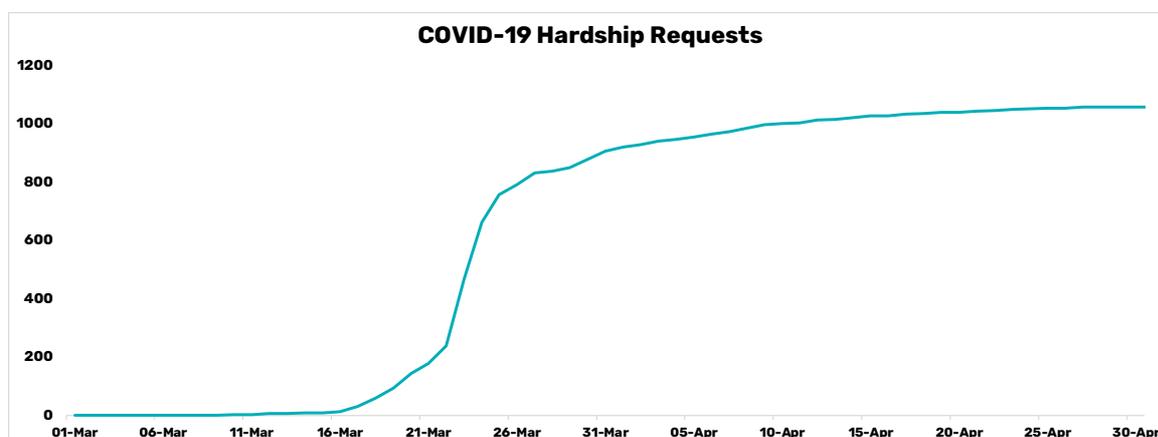
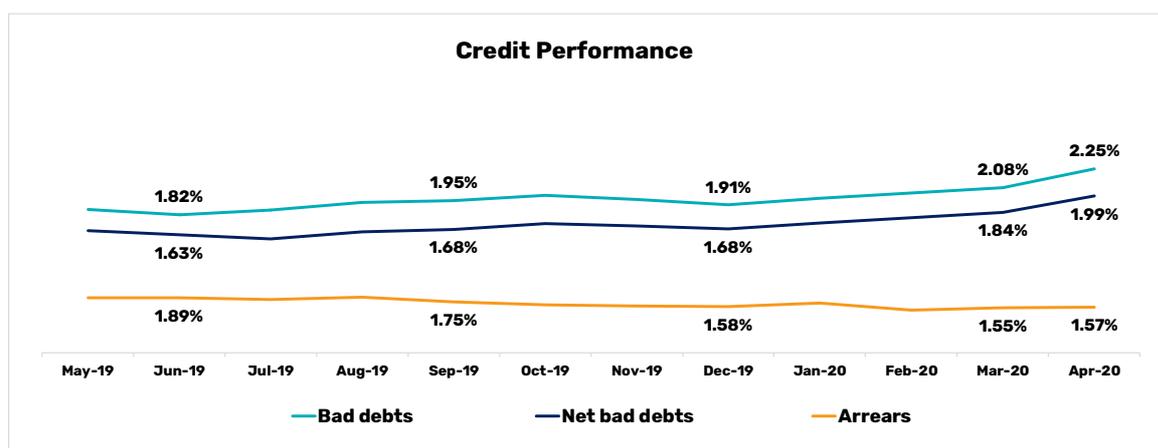
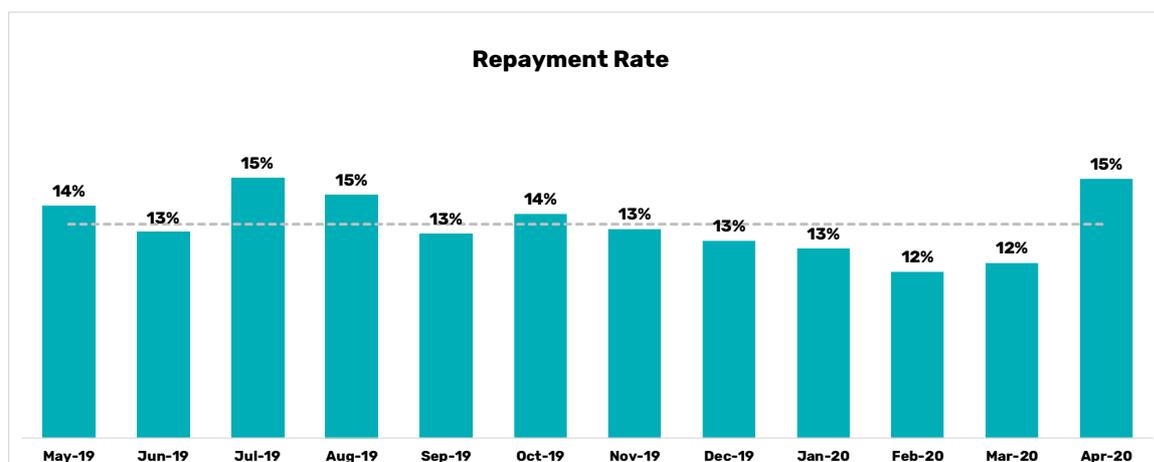
KEY OPERATIONAL METRICS (ZIP ONLY)

All key operating metrics include Zip's operations in New Zealand from November 2019 (following the acquisition of PartPay).

Financial and Operational Performance	Results Apr FY20⁵	Results Q3 FY20⁵	% increase/results on Apr FY19⁵
Revenue	\$14.6m	\$42.2m	73% ↑
Merchants ¹	23.1k	22.7k	50% ↑
Customers ²	2.0m	1.9m	66% ↑
Receivables ³	\$1.1b	\$1.1b	90% ↑
Transaction volume	\$181.6m	\$518.7m	86% ↑
Repayments ⁴	\$173.3m	\$375.0m	136% ↑
Arrears ⁴	1.57%	1.55%	1.84%
Net Bad Debts ⁴	1.99%	1.84%	1.61%

1. Number of accredited merchants
2. Number of active customer accounts
3. Amounts due from Customers
4. Australian figures only
5. Unaudited management accounts

CREDIT AND REPAYMENT PERFORMANCE (ZIP AU)



1. Repayment rate calculated as monthly repayments as a % of the opening receivables balance.
2. Bad debts defined as those accounts written-off at greater than 180 days' delinquent. It is calculated as the aggregate prior 12 months as a percentage of gross receivables.
3. Cumulative hardship requests received due to Covid-19 for Zip Australia only.

Release approved by the Chief Executive Office on behalf of the Board.

- ENDS -

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About Zip

ASX-listed Zip Co Limited (Z1P: ASX) or (“Zip”) is a leading player in the digital retail finance and payments industry. The Company offers point-of-sale credit and digital payment services to the retail, education, health and travel industries. It operates under the Zip Pay, Zip Money and Pocketbook brands. The Company is focused on offering transparent, responsible and fairly priced consumer products. Zip’s platform is entirely digital and leverages big data in its proprietary fraud and credit decisioning technology to deliver real-time consumer responses. Zip is managed by a team with over 50 years’ experience in retail finance and payments and is a licensed and regulated credit provider.

For more information, visit: www.zip.co