



# Annual Meeting 2021



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# Important notice

This presentation is given on behalf of Pushpay Holdings Limited (Pushpay).

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

Information in this presentation:

- is for general information purposes only, and is not an offer or invitation for subscription, purchase, or recommendation of securities in Pushpay;
- should be read in conjunction with, and is subject to, Pushpay's Interim and Annual Report, market releases, and information published on Pushpay's website [www.pushpay.com](http://www.pushpay.com);
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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.

A photograph of a group of people in a meeting. In the foreground, a man with a beard, wearing a blue denim shirt, is looking at a smartphone. He has several beaded bracelets on his wrists. In the background, other people are seated at a table, some using laptops and others using smartphones. The scene is brightly lit, suggesting a modern office or meeting room.

# Chairman's address

Graham Shaw, Independent Chairman

# Board of Directors



Graham Shaw  
*Independent Chairman*



Lovina McMurchy  
*Independent Director*



Lorraine Witten  
*Independent Director*



Bruce Gordon  
*Non-executive Director*



Chris Fowler  
*Visionary and Executive Director*

# Virtual Meeting procedures

The screenshot displays the 'Virtual Meeting' interface. At the top left is the logo 'P' in a red circle, followed by the text 'Virtual Meeting' and 'POWERED BY LINK MARKET SERVICES'. To the right, the 'HELP NUMBER' is '0800 200 220'. Three red buttons are visible: 'Ask a Question', 'Get a Voting Card', and 'Exit Meeting' with an external link icon. The main content area features a photograph of a woman smiling on a mobile phone. Overlaid on this image are two callout boxes: 'Voting box' with an arrow pointing to a 'Get a Voting Card' button (marked with a plus sign) and 'Question box' with an arrow pointing to an 'Ask a Question' button (marked with a question mark). To the right of the photo, the text 'Pushpay Annual Meeting 2021' is displayed. Below the photo, a 'Downloads' section lists 'Notice of meeting' and 'Annual report' with document icons.

# Agenda

- Chairman's address
- CEO's presentation
- Shareholder questions
- Resolutions
- Other business: to consider any other matter raised by a shareholder at the Meeting

# Highlights from the past year

- Strong revenue growth, cash flow growth, expanding operating margins and EBITDAF growth
- Successfully realised strategic cross-selling opportunities within the Customer base and achieved operational efficiencies across the combined business
- Allocated an initial investment of resources into developing and enhancing the customer proposition for the Catholic segment of the US faith sector
- Utilised US\$57 million of cash from operating activities to repay the debt raised to fund the Church Community Builder acquisition, resulting in a debt-free balance sheet
- Achieved EBITDAF guidance provided to the market

# Industry recognition





# New cornerstone shareholder

## Sixth Street

- Over US\$50 billion in assets under management and committed capital
- Focus on convergence of software and payments
- Global scale and partnership-oriented approach
- Hold 17.77% of Pushpay's total issued capital as at 31 March 2021



# Board of Directors and leadership



Lorraine Witten

Independent Director



Molly Matthews

Chief Executive Officer



Pushpay®

+



CHURCH  
COMMUNITY  
BUILDER

# Directors' fees

	<i>Jun-21</i> NZ\$	<i>Apr-20</i> NZ\$	<i>Jun-19</i> US\$
Independent Chair	190,000	141,900	82,320
Non-executive Director - NZ	95,000	71,000	41,160
Committee Chair	20,000	14,500	8,400
Committee Member - NZ	10,000	8,700	5,040

# Diversity and inclusion

- Launched a global mentoring programme to assist in supporting employee growth and career development, connect employees in separate offices and increase inclusion of remote employees
- Launched the Diversity, Equity and Inclusion Committee
- Sponsored two employee resource groups focused on education, awareness and development of women, and underrepresented minorities
- Expanded the diversity of the leadership team significantly by adding several women to key leadership roles
- Trained hiring managers on hiring practices, including awareness and avoidance of bias
- All employees participated in annual anti-harassment training



# CEO's presentation

Molly Matthews, Chief Executive Officer

# Strong growth, expanding operating margin

## *EBITDAF*

US\$58.9 million, up from US\$25.2 million, an increase of 133%

## *Gross Profit Margin*

68%, up from 65%, an increase of three percentage points

## *Operating cash flow*

US\$57.6 million, up from US\$23.5 million, an increase of 145%

## *Total Customers*

11,099 Customers, up from 10,896 Customers, an increase of 2%

## *Operating Revenue*

US\$179.1 million, up from US\$127.5 million, an increase of 40%

## *Profit before tax*

US\$44.4 million, up from US\$21.7 million, an increase of 105%

## *Cash and Cash Equivalents, and Short-term Deposits*

US\$4.8 million, down from US\$7.2 million, a decrease of 33%

## *ARPC*

US\$1,475 per month, up from US\$1,317 per month, an increase of 12%

## *Total Revenue*

US\$181.1 million, up from US\$129.8 million, an increase of 39%

## *NPAT*

US\$31.2 million, up from US\$16.0 million, an increase of 95%

## *Total Product Holdings*

13,552 Product Holdings, up from 12,338 Product Holdings, an increase of 10%

## *Total LTV of Customer base*

US\$5.3 billion, up from US\$4.5 billion, an increase of 20%

## *Total Processing Volume*

US\$6.9 billion, up from US\$5.0 billion, an increase of 39%

## *Months to Recover CAC*

14.2 months, no change\*

## *Annual Revenue Retention Rate*

>100%, no change

## *Staff Headcount*

405 staff, down from 459 staff, a decrease of 12%

\* The definitions of CAC and Months to Recover CAC have been amended to reflect the number of product sales rather than new Customers. The acquisition of Church Community Builder means that a material proportion of product sales are to existing Customers.



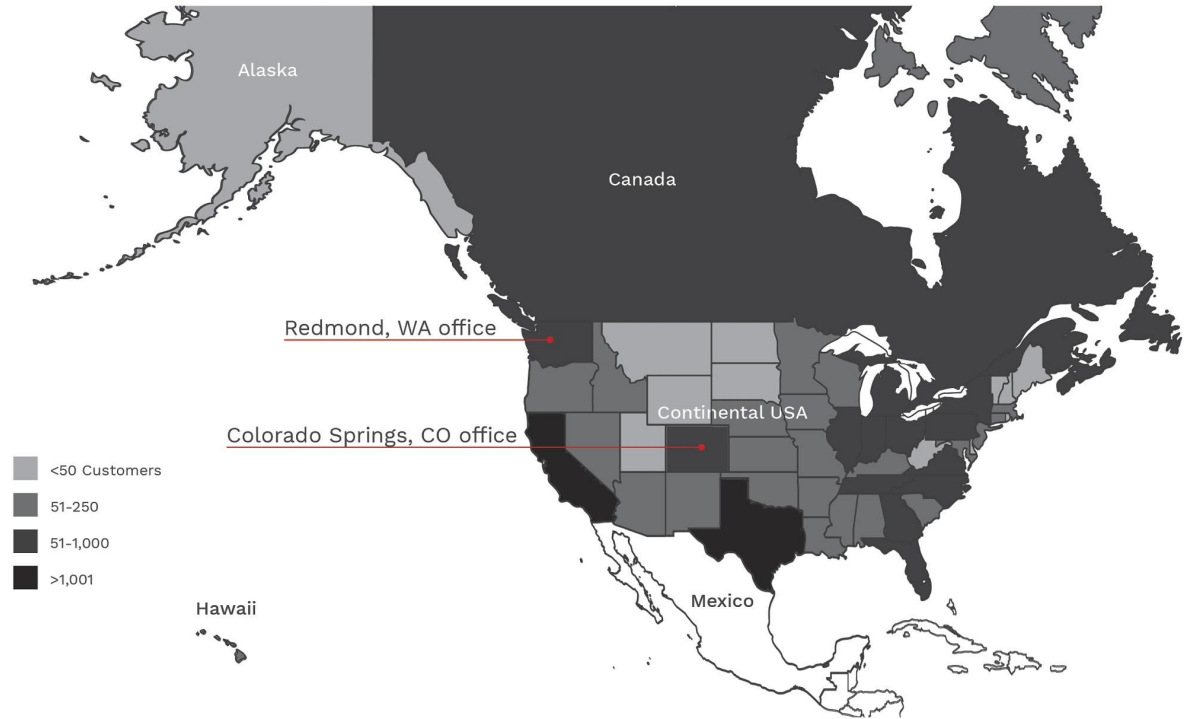
# Product Holdings

<i>As at 31 March</i>	<i>2021</i>	<i>2020</i>	<i>Change</i>
Total Product Holdings	13,552	12,338	10%
<i>Comprising</i>			
Donor Management System	8,927	8,180	9%
Church Management System	4,625	4,158	11%
Total Customers	11,099	10,896	2%
Including Joint Customers	2,453	1,442	70%
ARPC per month	1,475	1,317	12%



# Customers\*

11,099  
total Customers  
as at 31 March 2021



\* Map includes locations in North America of Customers which have been added to the Pushpay platform as at 31 March 2021.



# 35.2 million

transactions processed over the year

# US\$199

average transaction value over the year

# 2.5 million

unique donors\*

\* Refers to active donors who have made a payment in the last 12 months.

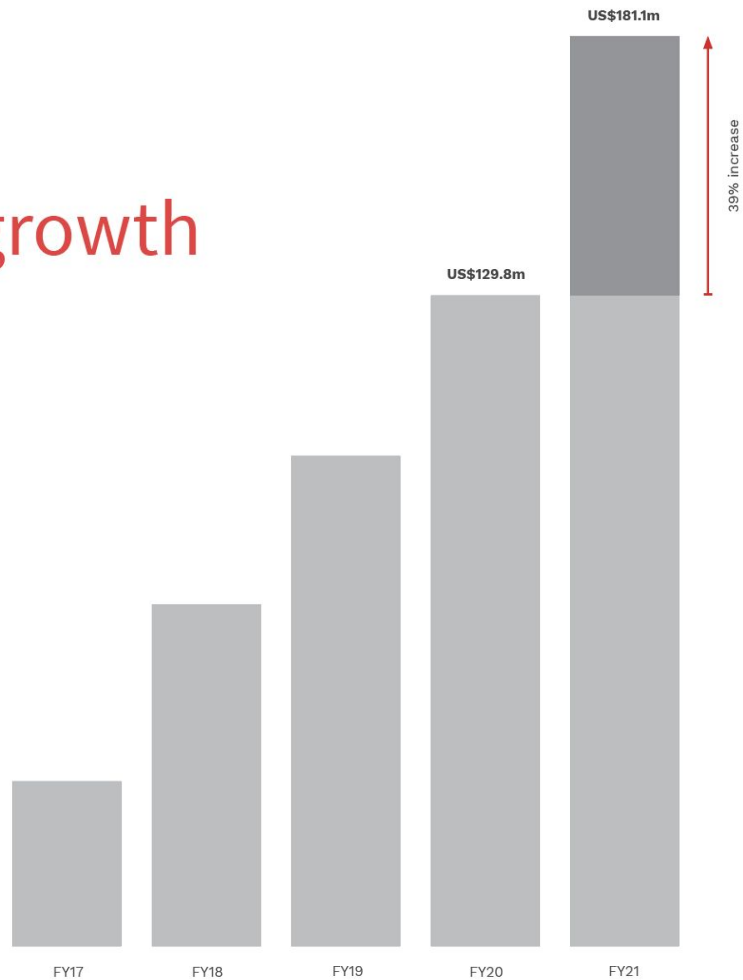
"The functionality of the Pushpay tool is the best we've ever experienced. And best of all, it enables our congregants to give to support our church."

Jimmy Papia, Emmanuel Christian Centre

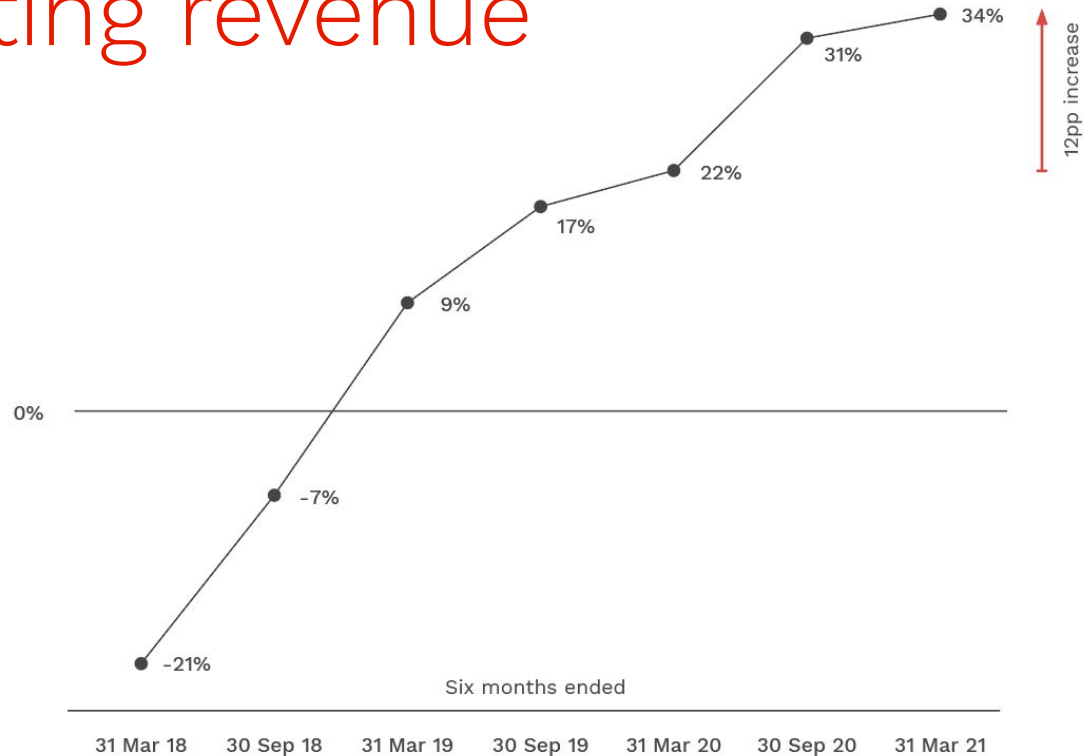
# Track record of success

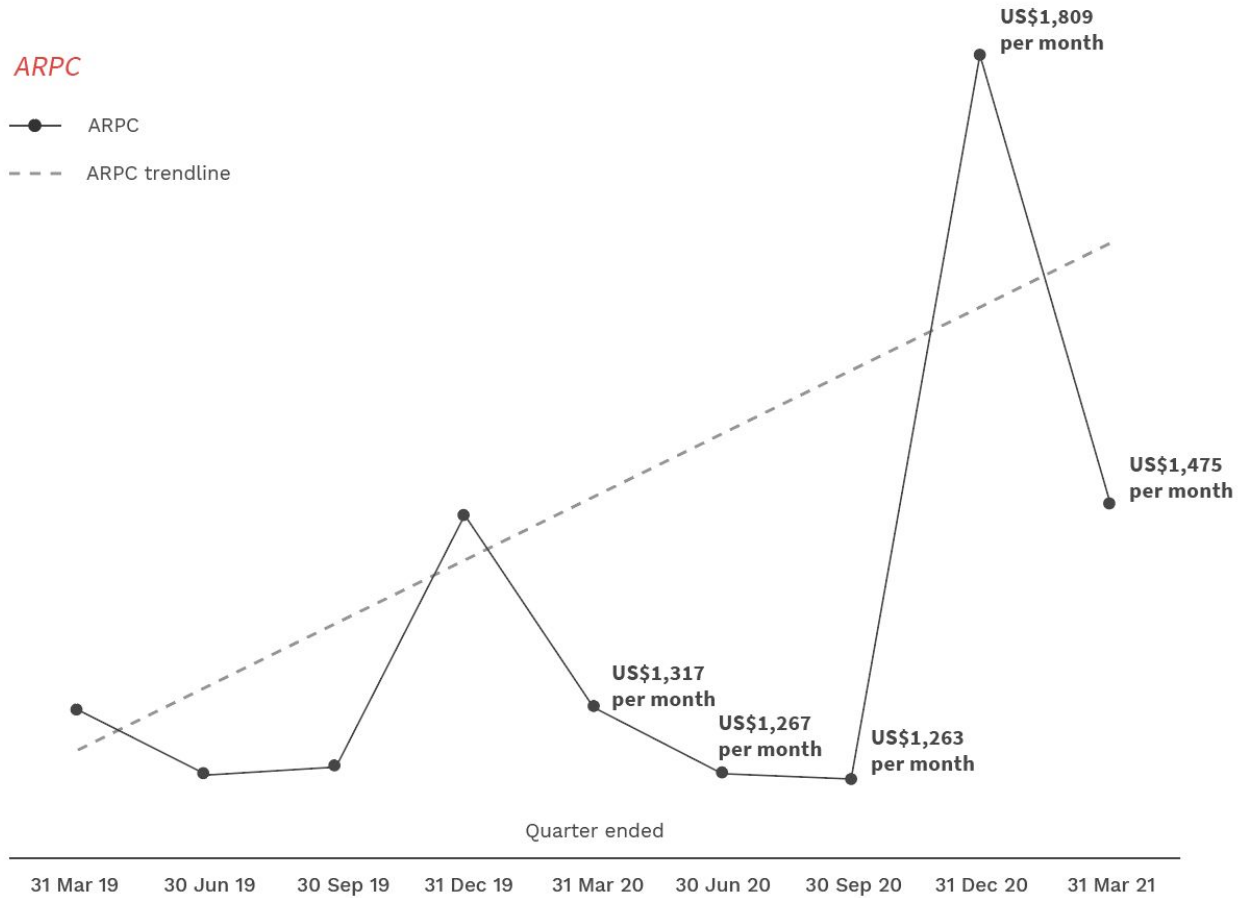
- ✓ 31 December 2014 targets achieved
- ✓ 31 March 2015 target exceeded
- ✓ 30 September 2015 target exceeded
- ✓ 31 March 2016 target exceeded
- ✓ 31 December 2017 target exceeded
- ✓ 31 March 2018 target achieved
- ✓ 30 June 2018 target achieved
- ✓ 30 September 2018 target achieved
- ✓ Breakeven on a monthly cash flow basis by the end of calendar year 2018 achieved
- ✓ Total revenue, gross margin and positive EBITDAF guidance for the year ended 31 March 2019 achieved
- ✓ Operating revenue, gross margin, EBITDAF and Total Processing Volume for the year ended 31 March 2020 achieved
- ✓ EBITDAF for the year ended 31 March 2021 achieved

# 39% total revenue growth



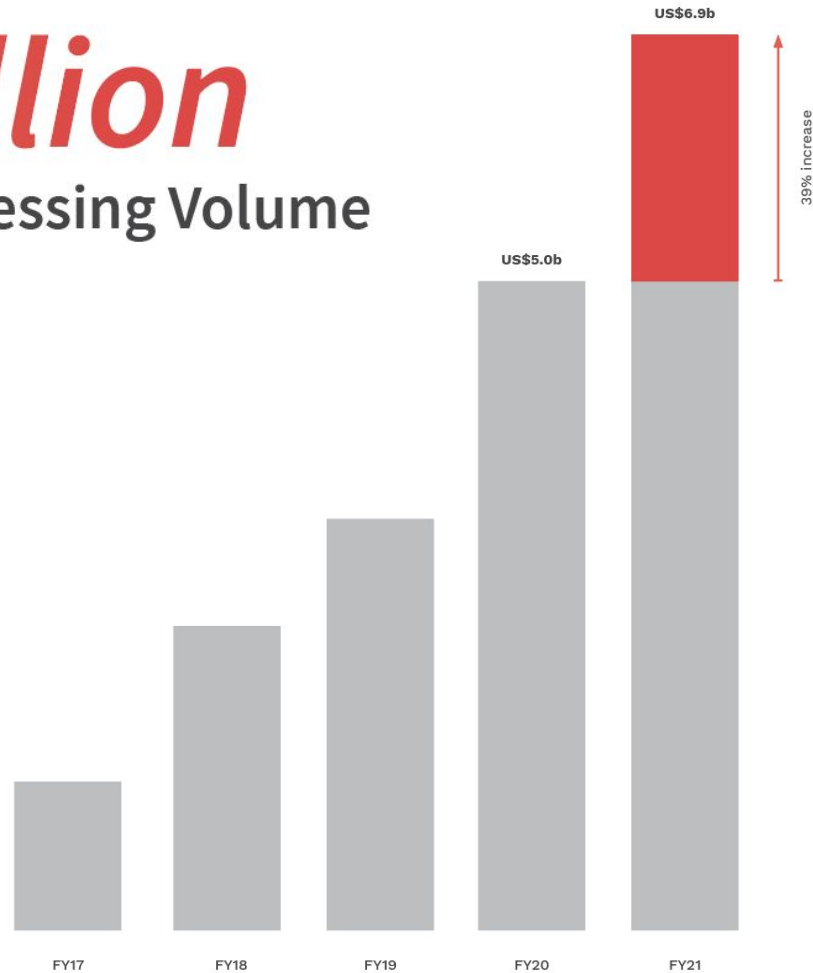
# EBITDAF as a percentage of operating revenue





# US\$6.9 billion

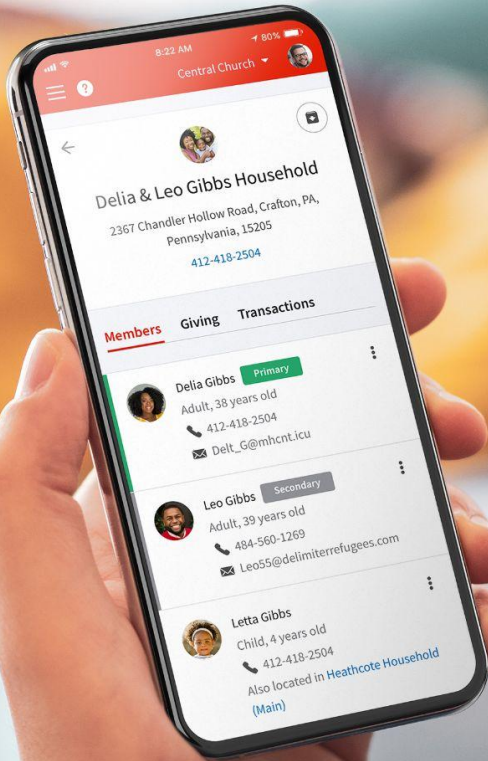
## Total Processing Volume



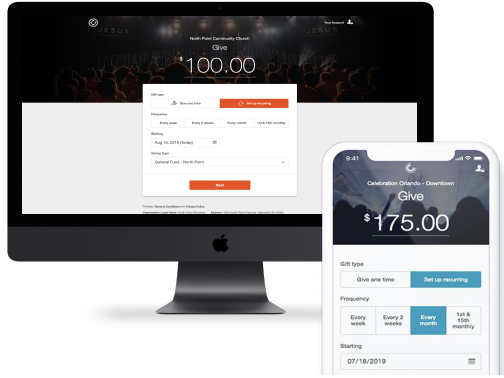
# Product design and development

“Pushpay has been an incredible partner. Not only has Pushpay made it easy for our people to be generous, the Pushpay team has continued to invest in improving the giving experience while providing exceptional support along the way.”

*Marcus Hsia, The Austin Stone Community Church*

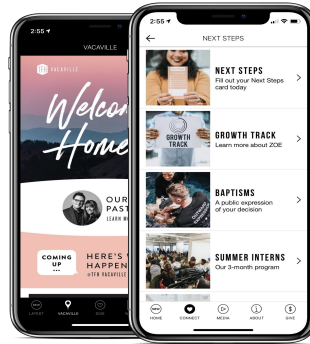






## Giving & Donor Management

- Engage new donors
- Increase recurring giving
- Remove barriers to generosity
- Web, mobile, text, cash/check



## My Church App

- Increase participation
- Access church media
- Targeted communication
- Groups & calendar
- Pre-check



## Church Management

- Comprehensive church management system
- Groups, Events, Check-in, Service Planning & Processes
- Giving dashboards & analytics

# Church Disrupt

**PUSHPAY** 2021  
**CHURCH DISRUPT**

- Online digital conference
- 20+ speakers
- Four hours of content
- App demo experience



# Outlook

# Impacts of COVID-19

- Shift to digital as services move online
- Acceleration of digital transformation
- Digital tools play an important role in helping churches nurture their physical and online communities
- Pushpay has not seen a meaningful proportion of digital giving revert to non-digital means



# Outlook for key drivers

## *Overall giving market*

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- Expected to grow inline with US GDP growth
- US GDP forecast to grow strongly (5 - 7%) with growth concentrated in the second half of 2021 as vaccinations allow US to reopen

## *Giving share of our Customers*

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- Expect to continue to grow the number of Customers using our donor management system
- Giving to our Customers is expected to grow by slightly more than the church market as a whole

## *Share of Wallet (ShoW) of our Customers*

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- We anticipate digital adoption within our Customer base continues to grow, albeit at a slower rate than before the COVID-19 driven acceleration


# Catholic initiative

- There are 68 million parish-connected Catholics in the US and 16,703 parishes\*
- FY22 investment expected to be between US\$6.0 million and US\$8.0 million
  - Approximately two thirds being product design and development expense, which Pushpay expects will be capitalised, with the remainder primarily in sales and marketing
- Benefits from the Catholic segment expected to be realised incrementally over the course of the following financial years
- In the long-term, we are targeting to acquire more than 25% market share in the Catholic segment by number of parishes



# Guidance for the year ending 31 March 2022

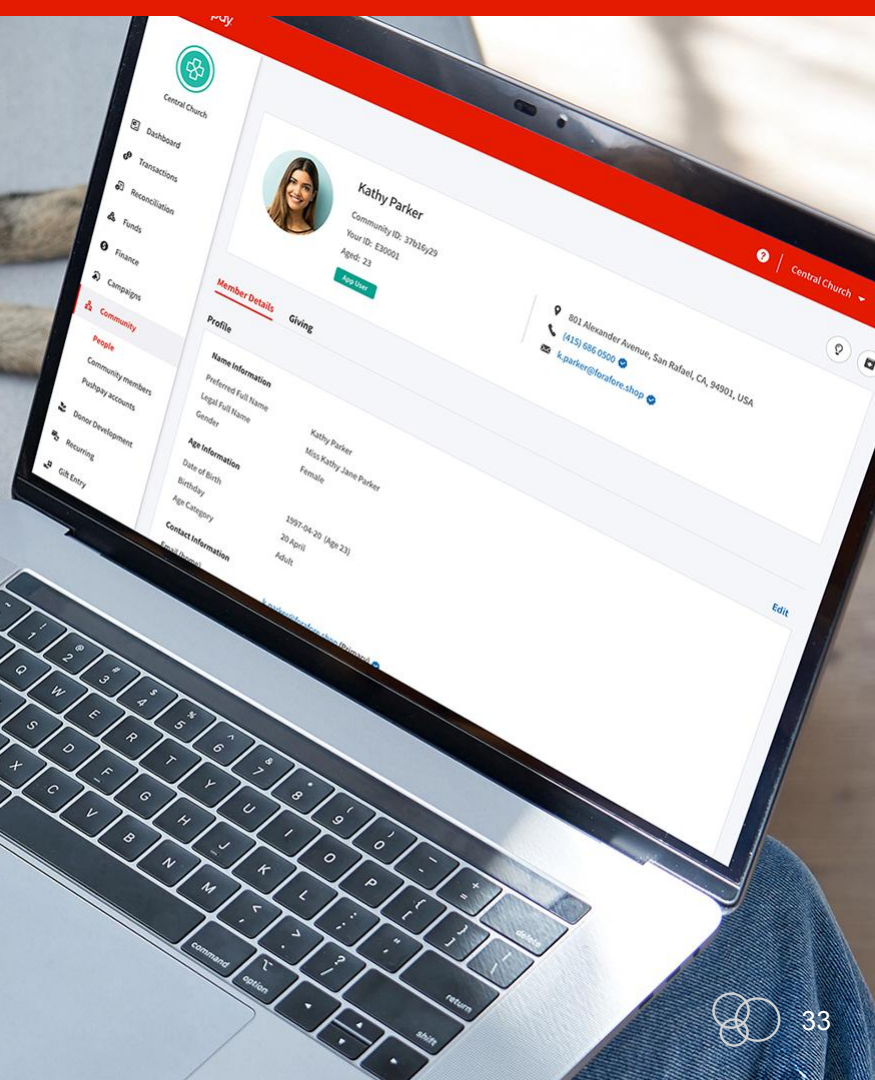
EBITDAFI of between US\$64.0 million and US\$69.0 million



# Shareholder questions



# Resolutions



# Resolutions

- **Resolution 1:** That Ms Lorraine Witten, appointed by the Board as an Independent Director with effect on 22 September 2020, be elected as a Director of Pushpay.
- **Resolution 2:** That the Board be authorised to fix the fees and expenses of Deloitte as auditor.



Lorraine Witten  
*Independent Director*

**Click “Submit Vote” to lodge your vote.**

Need help?

Call the Link Market Services helpline +64 800 200 220

# Other business

# Appendix

# Key metric definitions

**Annual Revenue Retention Rate** – is revenue retained from Customers and is measured by the amount of revenue at the end of the period, over the amount of revenue from the end of the previous period for Customers who joined Pushpay prior to the end of the previous period.

**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 products sold over a six month period.

**Earnings before Interest, Tax, Depreciation, Amortisation and Foreign Currency (gains)/losses (EBITDAF)** – is a non-GAAP financial measure calculated by adjusting interest, depreciation and amortisation, income taxes and net foreign currency gains/losses to net profit.

**Earnings before Interest, Tax, Depreciation, Amortisation, Foreign Currency (gains)/losses and Impairments (EBITDAFI)** – is a non-GAAP financial measure calculated by adjusting interest, depreciation and amortisation, income taxes, net foreign currency gains/losses and impairments to net profit.

**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 one 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.

# Key metric definitions (continued)

**Months to Recover CAC** – CAC months or months of ARPC to recover CAC is the number of months of gross revenue required to recover the cost of each new product sale.

**Net Profit after Tax (NPAT)** – is calculated in accordance with NZ IFRS.

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

**Product Holdings** – is the total number of Pushpay products utilised by Customers. An individual Customer may hold one or more Product Holdings. A Customer purchasing ChurchStaq™ has two Product Holdings, being a donor management system and a church management system.

**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).

**Total Processing Volume** – is payment transaction volume through the Pushpay payment platform, that Pushpay derives revenue from within a period. This excludes payment transaction volume that is not processed through the Pushpay payment platform.

**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).



 Pushpay<sup>®</sup>

