

# PaySauce doubles total customer lifetime value

## Lower Hutt, New Zealand - 23 November 2022

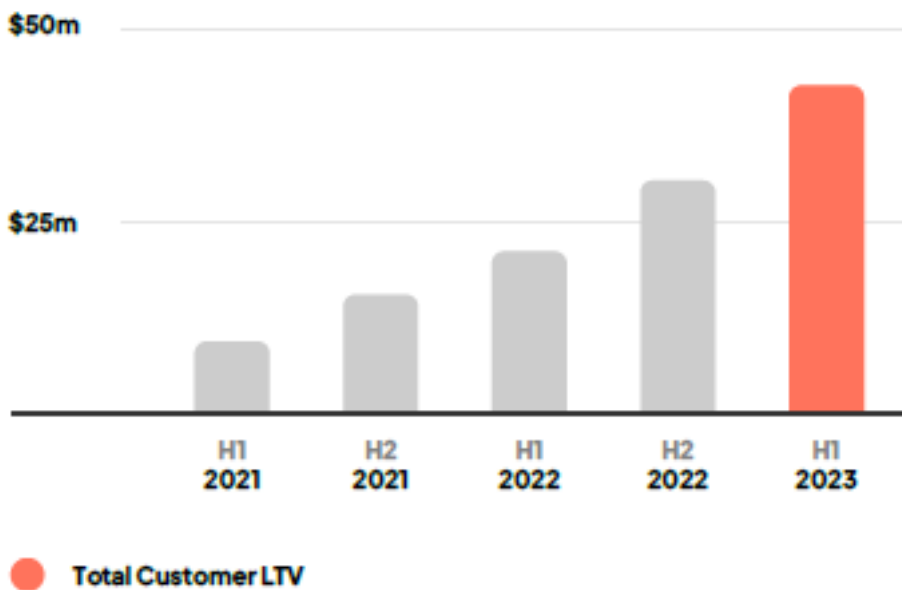
Employment fintech PaySauce (NZX:PYS) shares its FY2023 Interim Report, with CEO Asantha Wijeyeratne noting that total customer lifetime value has doubled over the last year to \$42.7M at the end of Sept 2022.

### HIGHLIGHTS

- Total customer lifetime value doubled to \$42.7M
- Recurring revenue for the 6 month period of \$2.5M (Up 79% YOY)
- ARR of \$5.58M (Up 71% YOY)
- Net Promoter Score of 45
- PayNow saved customers an estimated \$1.1M

Wijeyeratne said that the milestone was achieved from improvement in all of the contributing factors.

“Doubling the total customer lifetime value to \$43 million reflects the evolution we’ve made from startup to scaleup. We’re now the incumbent payroll provider for dairy farmers, and they continue to refer us to their neighbours in rural communities. That extends our reach to other SMEs in rural NZ. Growing customer numbers, increasing average revenue per customer and building in greater efficiencies in serving those customers means they stay with us longer, and increase the overall lifetime value. That loyalty is gold, and it’s reflected in our high net promoter score of 45.”





Recurring revenue was up 79% YoY, with processing fees up 60% YoY to \$2.14M and interest income increasing substantially to \$0.38M, being 15% of total recurring revenue (compared to 5% in the half year to Sept 2021).

Financial Performance	F23 H1 \$000s	F22 H1 \$000s	YoY %
Operating revenue	2,577	1,445	78%
Expenses	(2,777)	(2,188)	27%
Loss before tax, depreciation and amortisation	(200)	(743)	(73%)

The loss before tax, depreciation and amortisation reduced to \$200k for the half year. Operating revenue increased \$1.1M, and enabled greater investment into the business. The additional expenditure was highly correlated with current and future growth, including:

- Additional \$225K invested in research and development<sup>1</sup>; and
- Additional \$239K invested in serving existing customers.

Customer Metrics	F23 H1	F22 H1	YoY %
Active PaySauce customers at end of period	6,658	5,611	19%
Churn % (monthly average) for the period	0.76%	0.81%	(6%)
ARPU (monthly) at end of period	\$70	\$49	44%
CAC (per addition) for the period	\$371	\$340	9%
LTV per customer at end of period	\$6,424	\$3,798	69%
Total customer LTV at end of period	\$42.7M	\$21.3M	101%
LTV:CAC ratio at end of period	17 : 1	11 : 1	55%

<sup>1</sup> A further \$262K was invested in research & development which was capitalised for the period, bringing the total additional investment into research & development to \$487K

## **OUTLOOK**

Wijeyeratne went on to explain how that loyalty extends into other markets.

“What’s really exciting for me is the opportunity ahead. We’ve got a two-pronged approach for expansion, both of which leverage the expertise we’ve already gained. We’ve scoped the opportunity to serve the dairy industry in Australia and we’re working with a number of other industries in Aotearoa to replicate the success we’ve had in dairy.”

## **ABOUT PAYSAUCE**

PaySauce is a SaaS fintech platform providing solutions for people at work in 14 jurisdictions across the Asia-Pacific region. We give employers the technology to digitally onboard, pay and manage employees from any device. Our platform includes rosters, mobile timesheets, payroll calculations, banking integration, automated payments, PAYE filing, labour costing, automated general ledger entries and digital employment contracts.

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