

# Annual Meeting 2021 - Chairman's address and CEO's presentation

**Auckland, New Zealand | Redmond, Washington; Colorado Springs, Colorado, US – 16 June 2021 (NZT)**

*Address by Graham Shaw, Chairman*

**Chairman's address - slide 3**

Tēnā koutou, tēnā koutou, tēnā koutou katoa.

To our associates, shareholders and others in the US, that simply translates to greetings, greetings, greetings to you all.

Welcome to Pushpay's virtual 2021 Annual Shareholders' Meeting. My name is Graham Shaw and I am Chair of the Pushpay Board.

The video you just watched was prepared in collaboration with Dare to Imagine, a Pushpay Customer located in Philadelphia, Pennsylvania, US, and "that app" was Pushpay. The confidence and support from churches like this demonstrate that Pushpay's engagement and payment solutions are well-understood and valued by our main target market, the US faith sector.

We provide robust and intuitive donor management and church management systems that help our Customers stay engaged and connected to their communities through digital means, which is now more important than ever.

Due to the ongoing COVID-19 situation and the current travel restrictions between the US and New Zealand, we decided to hold our Annual Meeting online. We appreciate your understanding and attendance online today. A recording of today's meeting will be available on the Pushpay investor website following the meeting. Shareholders joining us online are able to vote and ask questions through the webcast portal. We will provide more detail on this when we address the meeting procedures.

Today, I am in Auckland, New Zealand and it is my pleasure to introduce your other Board members, who join us today:

- Firstly here in-person, my fellow Independent Directors, Lovina McMurchy and Lorraine Witten, and Non-executive Director, Bruce Gordon; and
- Joining us by webcast from Colorado Springs is Executive Director, Chris Fowler.

Also in attendance today we have members of our US and New Zealand-based management teams who are joining us in-person or by webcast:

- Chief Executive Officer, Molly Matthews;
- Chief Financial Officer, Shane Sampson;
- Chief Growth Officer, Steve Basden;
- Chief Technology Officer, Aaron Senneff;
- Senior Vice President of Operations, Kevin Kuck; and
- Vice President of Marketing, Heidi Keele.

Also present off-camera in the room today is Gabrielle Wilson, Head of Investor Relations, who will be reading your questions to the Meeting.

I would also like to acknowledge the representatives from our auditors, Deloitte, who are attending online today, as well as our associates across Auckland, New Zealand, and in the US - Redmond, Washington and Colorado Springs, Colorado, who are also attending via webcast.

I have been advised that there is a quorum present and so I declare the Meeting open. Notice of the Meeting was duly given and the Meeting has been properly convened. We will turn to the resolutions later in the Meeting. Please note that all dollar amounts referred to are in US dollars unless stated otherwise.

#### Virtual Meeting procedures - slide 5

Before moving on to the formal business of the Meeting, I will outline some meeting procedures.

Voting on all resolutions will be conducted by way of poll. Shareholders will be able to cast their vote using the electronic voting card received when online registration is validated. Please refer to the Virtual Meeting Online Portal Guide or you can contact our support representatives at Link Market Services on +64 800 200 220.

To register to vote, please click on the 'Get a Voting Card' box at the top of the webpage or below the videos and follow the prompts to complete your card. To ask a question, click the 'Ask a Question' box.

An opportunity will be given for shareholders to ask questions about, or make comments on, the items of business on the agenda for today's Meeting. I encourage shareholders who have questions to send their questions through as soon as possible. You will only be able to ask a question after you have registered to vote.

Where appropriate, I will refer detailed questions best answered by management to Molly Matthews. Shareholders with questions relating to specific resolutions are requested to ask those questions when we are considering the relevant resolution.

#### Agenda - slide 6

Turning now to the agenda for today's Meeting:

- Following my Chairman's address, I will hand over to Molly Matthews for the CEO's presentation;
- We will then open the Meeting for shareholder questions, arising from the presentation, to be answered by appropriate members of the Board and management;
- Following questions, I will then move to the formal resolutions of the Meeting; and lastly
- I will open the Meeting to other business from shareholders before we close the Meeting today.

#### Highlights from the past year - slide 7

It has been another exciting year for Pushpay, and like many businesses across the world, there were certainly some unexpected challenges. With the impacts of COVID-19 being felt by communities and organisations globally, Pushpay's team remains committed to supporting Customers and providing innovative technology solutions. Molly will provide a review of the business activities in greater detail, however there are a few highlights, which I would like to acknowledge.

Pushpay continued its momentum throughout the 2021 financial year, delivering strong revenue growth, cash flow growth, expanding operating margins and EBITDAF growth while continuing to attract and support Customers throughout the evolving COVID-19 environment.

We made significant progress integrating Church Community Builder into the Pushpay solution. Pushpay welcomed new Customers, successfully realised strategic cross-selling opportunities within the Customer base and achieved operational efficiencies across the merged businesses.

We announced that we have embarked into the Catholic segment, making an initial investment of resources into developing and enhancing the customer proposition for this segment of the market. This is something I am personally very excited by as it represents a significant milestone as we continue to execute on our strategy of being the preferred provider of mission critical software to the US faith sector.

We utilised US\$57 million of cash from operating activities to repay the debt raised to fund the Church Community Builder acquisition leaving us with a debt-free balance sheet, which we can leverage for further acquisitions.

Additionally, we were proud to have delivered on our EBITDAF guidance provided to the market over the year, noting that this was upgraded three times during the year.

### Industry recognition - slide 8

We were honoured to receive a number of awards over the last year including five awards in the 2021 Stevie Awards, one of those being gold for the 'Sales Support Team of the Year' in the Technology Industries category.

Our success is testament to the Pushpay team's dedication and commitment to excellence and we are extremely proud of our award-winning team.

### New cornerstone shareholder - slide 9

In March 2021 we welcomed Sixth Street as a new cornerstone investor after it acquired shares from interests associated with the Huljich Family. Sixth Street is a highly experienced technology and growth investor with a core thematic focus on the convergence of software and payments. Their global scale and partnership-oriented approach brings considerable benefits to Pushpay which we are already experiencing.

### Board of Directors and leadership - slide 10

I would now like to cover our Board and leadership changes.

The composition of our Board further evolved throughout the year. Peter Huljich resigned as a Non-executive Director and Christopher Huljich resigned as an Alternate Director, effective 31 December 2020. We sincerely thank Peter and Chris for their invaluable contribution to the Board and immense support of Pushpay as directors and significant shareholders over the past seven years.

Justine Smyth resigned as an Independent Director, effective 20 July 2020. We thank Justine for her contribution to the Board.

We were delighted to welcome Lorraine Witten to our Board as an Independent Director, effective 22 September 2020. Lorraine also joined as Chair of Pushpay's 'Audit and Risk Management Committee' and as a member of Pushpay's 'Nominations and Remuneration Committee'.

In January of this year, following an international search, we were pleased to announce the appointment of Molly Matthews as CEO, effective 1 March 2021, as Bruce Gordon who had served as CEO on an interim basis from 1 June 2019 stepped down.

As previously announced, Bruce will be retiring from the Pushpay Board following today's Annual Meeting. We have commenced the search for two new additional Independent Directors, most likely US-based, and look forward to updating you on this search in due course. I would like to take a moment to personally thank Bruce for stepping into the business from the Chairman's role, serving as CEO for 21 months and for his continued support of Pushpay.

Bruce, firstly can I just say thanks for talking Chris and Eliot out of their first business idea. Fortunately, their second one was a lot better, as we can see today. You have been there from the start, initially as a mentor and then as Chairman. The business is what it is because of your leadership over the last 10 years. Two years ago you seamlessly stepped into the CEO role where your knowledge of and experience in the business proved invaluable in the execution of the strategy to expand our service offering into church management with the acquisition of Church Community Builder. I will talk a little more about that later. The other thing I would like to acknowledge is the strength of the team you built. With hindsight, perhaps it is not surprising that your successor came from within.

I would now like to invite Bruce to say a few words.

### Pushpay and Church Community Builder reorganisation - slide 11

I would like to take a moment to highlight the continuing benefits of the reorganisation of the Pushpay and Church Community Builder teams that was completed in April 2020, bringing all associates across Auckland, New Zealand, and in the US, under one leadership structure.

The rapid unification has enabled us to deliver further growth and add additional shareholder value. I am excited about what the Company has achieved to date but even more excited about what is to come.

### Directors' fees - slide 12

At the 2019 Annual Shareholders Meeting the directors' fee pool was increased to US\$650,000.

While the increase has not been used to date, it is likely to be as we look for two additional directors, most likely US-based, who will no doubt be a bit more expensive than New Zealand-based directors.

I also want to highlight that previously, New-Zealand based directors' fees have been set in US dollars. These are now designated in NZ dollars and we have taken the opportunity two years after the last external review to amend these, within the scope of the approved directors' fee pool, as shown in the slide.

We believe in the importance of keeping shareholders informed about directors' compensation, even when – as in this case – changes do not require shareholder approval.

### Diversity and inclusion - slide 13

Moving to a separate topic that I am personally keen to see progress in, I am pleased to give you an update on our diversity and inclusion initiatives. Our people matter and over the 2021 financial year we delivered on our ongoing commitment to foster a diverse and inclusive workplace. We believe that a diverse and inclusive culture is crucial to our future success. To highlight just a few:

- We launched a global mentoring programme in July 2020 to assist in supporting employee growth and career development, to connect employees in separate offices and to increase inclusion of remote employees;
- We launched our Diversity, Equity and Inclusion Committee in August 2020. The group is composed of members from each Pushpay office and focuses on Company-wide initiatives, workshops and procedures to support diversity, equity and inclusion; and
- We expanded the diversity of the leadership team significantly by adding several women to key leadership roles.

To close, Pushpay continues to expect strong revenue growth, as we continue to execute on our strategy to gain further market share through continued innovation of our products, mergers and acquisitions, and expanding into the Catholic market. We believe this strategy is the best way to maximise shareholder value in both the short and long term. I am confident about the future of this Company, as Pushpay continues to help Customers and their communities stay connected through digital solutions, which in these times is more important than ever.

On behalf of the Board I would like to thank our management team, staff in New Zealand and the US, and our advisers who have worked hard over the last year as the Company continues to execute on its growth strategy. We would also like to thank you, our shareholders, for your continued support and confidence.

As part of the formalities of the Meeting, I will return to address the resolutions, and other matters of business, but it is my pleasure to now invite our CEO, Molly Matthews to go into more detail on the Company's performance and to give you an update on the 2021 financial year.

### *Presentation by Molly Matthews, CEO*

#### CEO's presentation - slide 14

Good afternoon and thank you again for joining us online for our virtual Meeting as we all travel through this season together, helping to keep one another safe.

It has been a phenomenal year for Pushpay as we have continued to execute on our growth strategy, despite the immense challenges faced across the world as a result of COVID-19.

The 2021 financial year was one characterised by significant disruption for our team and our Customers. With the onset of the pandemic, we acted quickly to ensure our team across the US and New Zealand were safe, and that our Customers continued to be supported.

As churches were required to shutter their doors and pivot to taking their services and communities online, I am personally so proud of our team who across our three locations demonstrated immense flexibility, while remaining focused on delivering innovative software and support to our Customers.

Our solutions enable communities to stay connected and engaged through digital means, which as we have seen throughout the past year, is now more important than ever. Pushpay's strong performance throughout the 2021 financial year demonstrates the adaptability of our Customers and our team despite the challenges faced worldwide from COVID-19.

The shared mission across our organisation today represents a passion to connect communities around the world. We continue to execute towards achieving our strategic goal of being the preferred provider of mission-critical software to the US faith sector.

Today, I am going to take you through an update on our key business metrics and operational updates from the last financial year. As Graham previously noted, all dollar amounts referred to are in US dollars unless stated otherwise.

#### Key metrics highlights - slide 15

Over the year to 31 March 2021, we continued to see strong growth and expanding operating margins. To name a few highlights:

- We were proud to have delivered on our guidance, increasing EBITDAF for the year ended 31 March 2021 from US\$25.2 million to US\$58.9 million, an increase of 133%;
- Total revenue increased over the year from US\$129.8 million to US\$181.1 million, an increase of 39%;
- Total Processing Volume increased over the year from US\$5.0 billion to US\$6.9 billion, an increase of 39%; and
- Operating cash flow increased from US\$23.5 million to US\$57.6 million, an increase of 145%.

#### Product Holdings - slide 16

I will turn now to our Product Holdings, an additional metric that we introduced over the 2021 financial year to measure the growth within our Company.

Through successfully realising strategic cross-selling opportunities following the acquisition of Church Community Builder in December 2019, we increased our total Product Holdings, which includes our donor management system and church management system solutions, from 12,338 to 13,552, an increase of 10% over the year. The basis of any successful acquisition is cross-selling solutions and realising synergies actively, and this was our key focus post the Church Community Builder acquisition despite a highly disrupted year.

Our donor management system Product Holdings increased by 9% over the year and our church management system Product Holdings increased by 11%.

#### Customers - slide 17

Looking at our Customers, as Graham mentioned earlier, with the significant progress in integrating the Pushpay and Church Community Builder solutions achieved over the 2021 financial year, we welcomed new Customers, successfully realised strategic cross-selling opportunities within the Customer base and achieved operational efficiencies across the combined business.

We increased our Customer base by 203 over the year ended 31 March 2021 to 11,099 Customers, an increase of 2%.

#### Processing statistics - slide 18

Looking at some of our other notable measures:

- Over the year we processed 35.2 million transactions, with an average transaction value of over US\$199; and
- We had 2.5 million unique donors across the platform.

These statistics demonstrate Pushpay's strong foundation of sustainable growth. We continue to drive social good, with a platform that has been built for scale.

#### Track record of success - slide 19

I will take a moment now to recognise our strong track record of delivering on guidance, as this is something that we are very proud of. Since initially listing in August 2014, Pushpay is pleased to have met or exceeded all guidance provided to the market.

#### Total revenue growth - slide 20

Turning to our revenue, total revenue for the year ended 31 March 2021 increased from US\$129.8 million to US\$181.1 million, an increase of 39%. We expect to see continued revenue growth as the business executes on its strategy, achieves increased efficiencies and gains further market share in the US faith sector.

#### EBITDAF as a percentage of operating revenue - slide 21

Turning to our EBITDAF, as I mentioned earlier, we were pleased to deliver EBITDAF of US\$58.9 million for the 2021 financial year.

The graph on this slide shows EBITDAF as a percentage of operating revenue for each half. In the first half we saw an acceleration in the EBITDAF margin driven by increased processing volumes as churches went online in response to the impact of COVID-19. In the second half we continued to grow the EBITDAF margin with processing volumes seasonally stronger in the second half and operating expenses broadly flat.

#### ARPC - slide 22

Looking at our Average Revenue Per Customer or ARPC, which increased over the year to 31 March 2021, from US\$1,317 per month to US\$1,475 per month, an increase of 12%.

We plan to continue to grow ARPC by continuing to implement our sales strategy to gain new customers and increasing revenue from existing Customers through the cross-sale of products, and to continue to drive increased adoption of digital giving across our Customer base.

#### Total Processing Volume - slide 23

Turning to Total Processing Volume, this is one of the metrics that I am excited to share. Our Total Processing Volume increased by US\$1.9 billion over the year to US\$6.9 billion, an increase of 39%. This represents generosity flowing through our platform and into communities around the world.

We expect continued growth in Total Processing Volume driven by continued growth in the number of Customers using our donor management system, further development of our product set resulting in higher adoption and usage, and increased adoption of digital giving in our Customer base.

Our strong results from the 2021 financial year are a reflection of our innovative products, the dedication of our teams in the US and New Zealand, and our culture of continuous improvement.

We will now play a short video which was prepared in collaboration with New Life Church, a Customer based in Renton, Washington, US.

### Product update - slide 24

It is only fitting after hearing from one of our incredible Customers that we talk about innovation and our products.

We continue to invest in our leading solutions which simplify engagement, donations and administration, enabling our Customers to increase participation and build stronger relationships with their communities, a need that has only intensified further this year.

Some of our more recent additions to the Pushpay solution from our 'Fall' and 'Winter' product launches include: Connection features in the Pushpay Church App, Instant Check-in, Web Giving in Spanish, Households and our new Lyric and Chord Chart Editor. I invite you to learn more about these features, which we have included in our 2021 Annual Report.

### ChurchStaq™ - slide 25

In September 2020, we announced our largest product launch to date, which included 16 new products, features and enhancements to the Pushpay and Church Community Builder solutions. The launch also unveiled the new product name of the Company's all-in-one engagement solution, ChurchStaq™.

We will now play a short video to demonstrate our Connection features in the Pushpay Church App. For Customers who purchase ChurchStaq™, the combined donor management software and church management system offering, the App experience provides a complete congregant experience offering community engagement, simple and fast generosity, and church participation driven by Church Community Builder.

### Church Disrupt - slide 26

As an extension of Pushpay's hightouch 'Thought Leader' series, we hosted our inaugural digital conference event in May 2020, Church Disrupt, showcasing over four hours of robust content led by church and business leaders.

Building on the success of Church Disrupt 2020, we held Church Disrupt 2021 last month. The 2021 digital conference featured inspirational stories about overcoming challenges with practical advice for how to take action, shared by innovative church leaders and staff from locations across the US.

We will now play a short video that highlights some of the phenomenal industry-leading speakers whom we were honoured to host at Church Disrupt.

### Outlook - slide 27

As we turn to outlook and the year ahead, from a strong financial position we will continue to balance expanding operating margin with opportunities to increase revenue growth. While we continue to focus on ensuring efficiency remains high, we intend to invest strongly in future growth opportunities such as the Catholic initiative in the short-term. We also remain active in evaluating opportunities that broaden the current proposition and add significant value to the current business.

### Impacts of COVID-19 - slide 28

With regards to the impacts of COVID-19 on Pushpay's business, I would like to say that we are proud to serve our churches who have been so influential in helping communities through this incredibly difficult time.

As churches begin to gradually re-open with restrictions, it has become evident across the sector that the market has undergone a transformative shift, whereby digital solutions play a crucial role in the future of the church.

We have not seen a meaningful proportion of digital giving revert to non-digital means, indicating that Customers in the US faith sector may have undergone a fundamental technological shift as a result of the current environment.

### Outlook for key drivers - slide 29

When looking at the outlook for our key drivers, we expect to see subscription revenue growth over the upcoming year based on the growth in Product Holdings, however the most significant set of assumptions relates to processing volumes.

In the upcoming year we expect to see strong US GDP growth translating into more giving to churches. We expect that the number of churches using our donor management system will continue to grow.

One of the biggest uncertainties is what happens to digital adoption as the US returns to normal. We have assumed that digital adoption continues to grow, albeit at a slower pace than it did prior to COVID-19 driven acceleration.

### Catholic initiative - slide 30

I would also like to take a moment to highlight our Catholic initiative, something that I am very excited about as it represents a big step forward as we continue our growth journey.

During the current financial year, our investment into the Catholic segment is expected to be within the range of US\$6.0 million to US\$8.0 million.

We expect to increase product design and development headcount over the current financial year as we continue to further develop the functionality of our suite of solutions to serve the Catholic segment.

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 - slide 31

Pushpay is expecting to achieve EBITDAFI for the year ending 31 March 2022 of between US\$64.0 million and US\$69.0 million, although uncertainties and impacts surrounding COVID-19 and the broader US economic environment remain.

I am personally excited about the year ahead as we continue to support our Customers and their communities with our innovative technology solutions. Adding additional features and functionalities to our products, enables our Customers and future customers to have greater impact on communities around the world.

Before we move to questions, I would like to thank you for your support and confidence as shareholders. I also want to thank the Board, management and all of our associates. Our people are the foundation of our business and we would not be where we are today without their dedication and expertise.

I would also like to thank our Customers once again, as our results are ultimately thanks to their support in choosing to partner with us.

With that, I would now like to hand it back over to Graham to open for questions.

### Contact

Gabrielle Wilson | Investor Relations | Pushpay Holdings Limited

P: +64 21 724 244 | E: [investors@pushpay.com](mailto:investors@pushpay.com)

[www.pushpay.com](http://www.pushpay.com)

This announcement is authorised by Graham Shaw (Chairman) and Molly Matthews (Chief Executive Officer) of Pushpay Holdings Limited.

### About Pushpay

Pushpay provides a donor management system, including donor tools, finance tools and a custom community app, and a church management system (ChMS) to the faith sector, non-profit organisations





and education providers located predominantly in the United States (US) and other jurisdictions. Our leading solutions simplify engagement, payments and administration, enabling our Customers to increase participation and build stronger relationships with their communities.

Church Community Builder is a subsidiary of Pushpay Holdings Limited and provides a Software as a Service (SaaS) church management system predominantly in the US and other jurisdictions. Church Community Builder provides a platform that churches use to connect and communicate with their community members, record member service history, track online giving and perform a range of administrative functions. Combined, Pushpay and Church Community Builder deliver a best-in-class, fully integrated ChMS, custom community app and giving solution for customers in the US faith sector.

Pushpay is an award-winning company. For more information visit [www.pushpay.com/investors/awards](http://www.pushpay.com/investors/awards).

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