



Pushpay

Annual Results

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

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- 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);
- includes forward-looking statements about Pushpay and the environment in which Pushpay operates, which are subject to uncertainties and contingencies outside of Pushpay's control—Pushpay's actual results or performance may differ materially from these statements;
- includes statements relating to past performance, which should not be regarded as a reliable indicator of future performance; and
- may contain information from third parties believed to be reliable; however, no representations or warranties are made as to the accuracy or completeness of such information.

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.



# Agenda

1. CEO update
2. People and culture
3. A leading cloud-first solution
4. Sustainability
5. Finance update
6. Outlook
7. Questions

# CEO update



# 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.

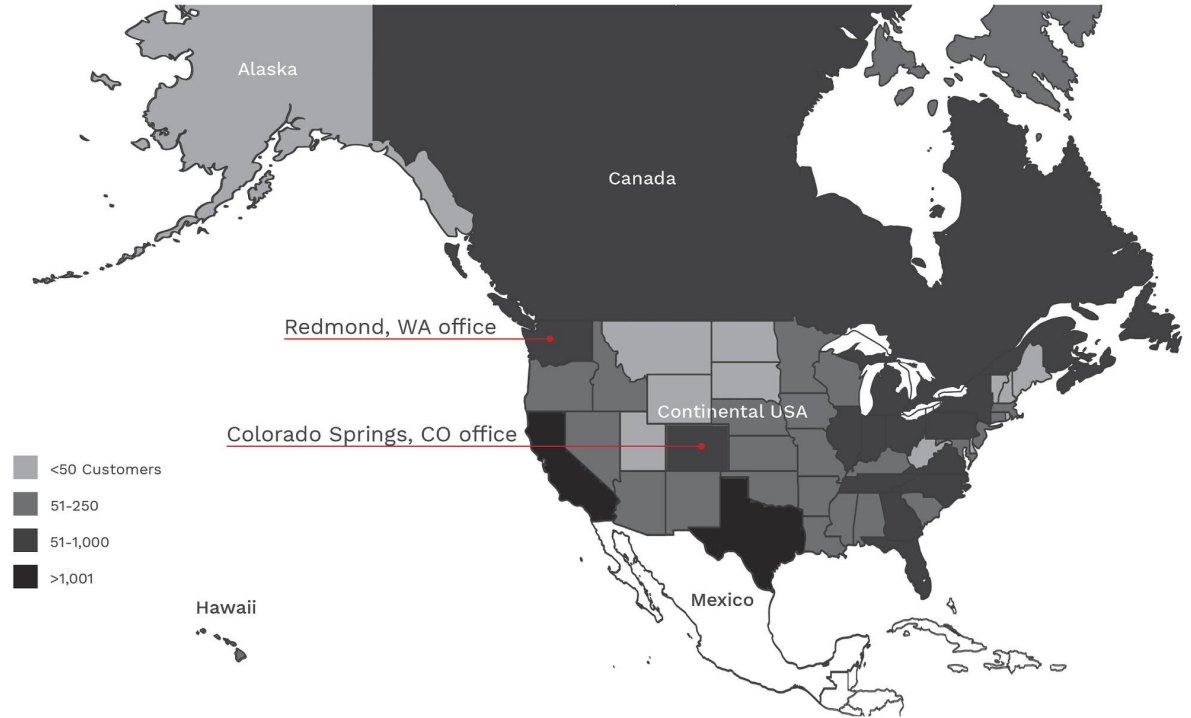


# Product Holdings

<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.



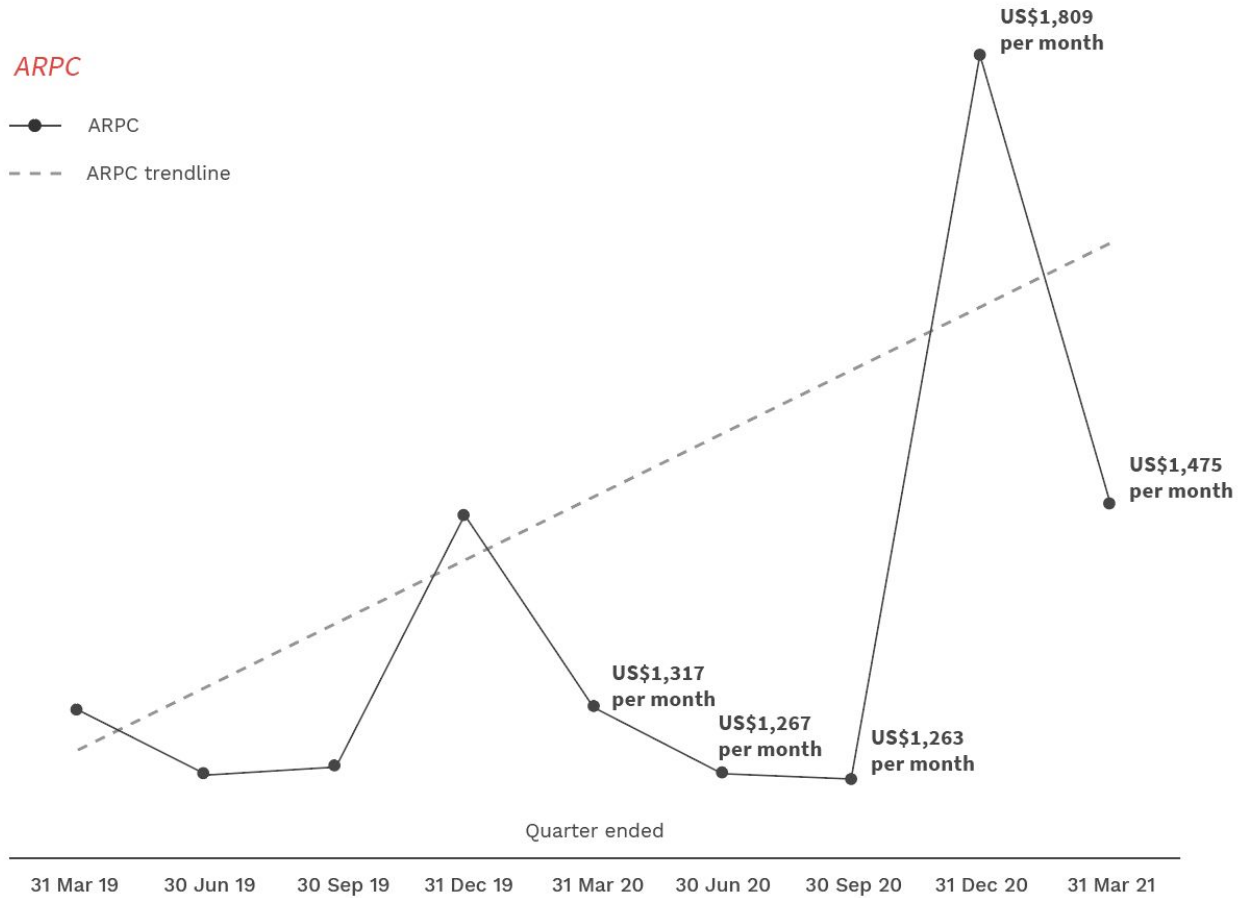


Enabling social good by  
driving increased  
community and belonging  
is at the heart of what  
we do.

COVID-19 Fund  
Epic Church San Francisco  
*San Francisco, California, US*







# 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

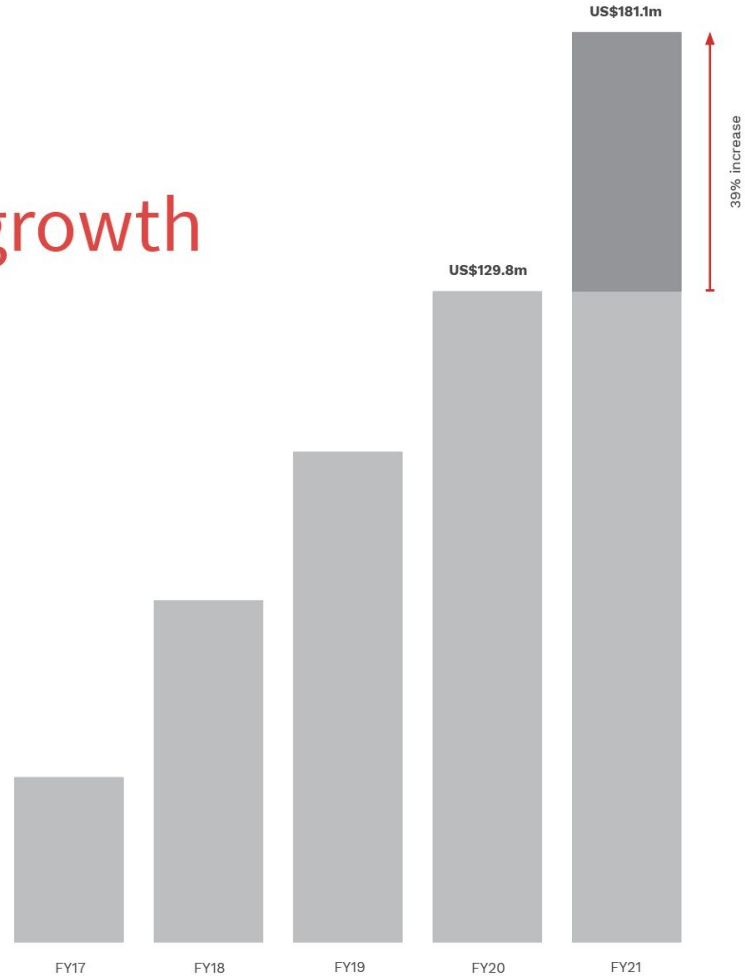


# Track record of success

- ✓ 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



# Operating Revenue, NPAT and operating cash flow

## *Operating Revenue*

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

## *NPAT*

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

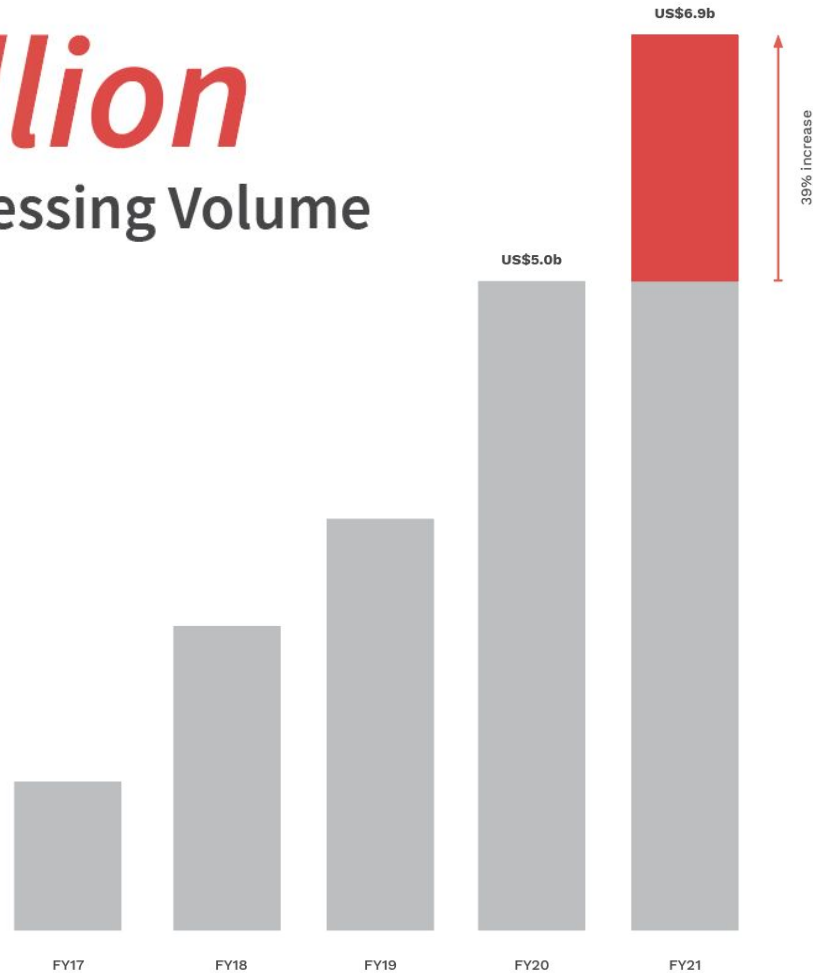
## *Operating cash flow*

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

# US\$6.9 billion

## Total Processing Volume



# People and culture



# Board of Directors and leadership



Lorraine Witten

Independent Director



Molly Matthews

Chief Executive Officer



# A leading cloud-first solution


List is being sent





Thanks! We have received your request. If any people in this list do not currently exist in Church Community Builder, we will create them then add them to the queue. The size of your list and the number of new people we need to create will affect the time this takes to complete. We'll send you an email once this is finished.

Close

8:20

Send Thank You Letters

 **Erica Puccio**  
Due Thu, May 7, 2020  
5 days overdue

Assigned to Mek Richardson

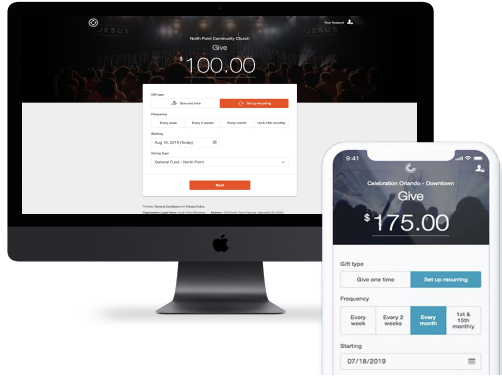
**MARK AS DONE**

Notes

Notes

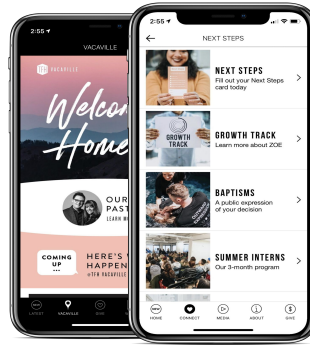
Notes Settings





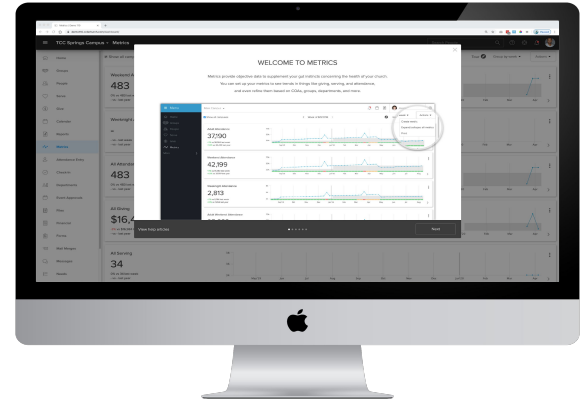
## Giving & Donor Management

- 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



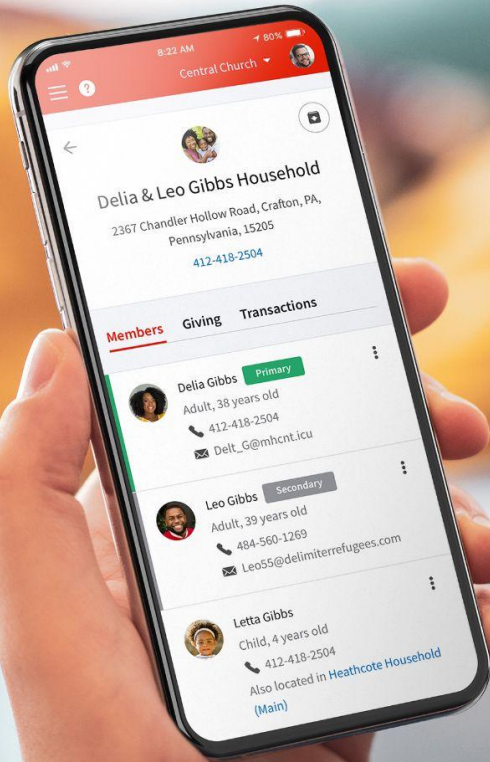
## Church Management

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

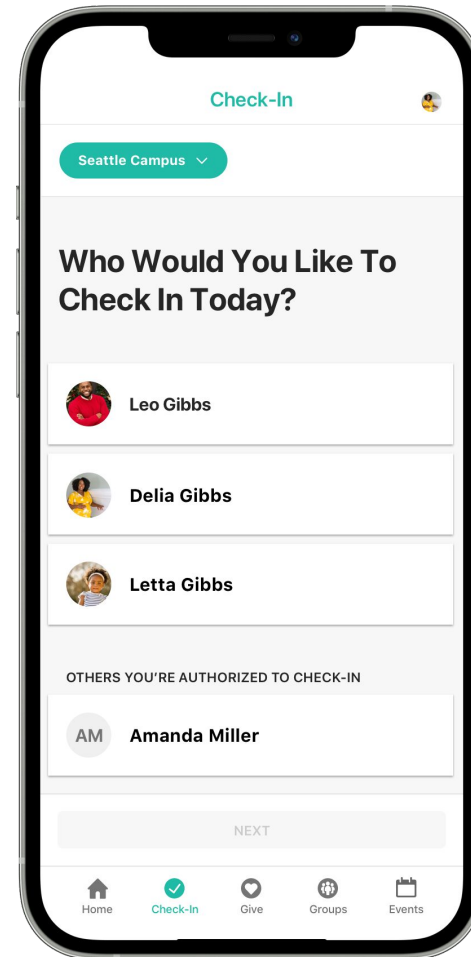
# Product design and development

“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.”

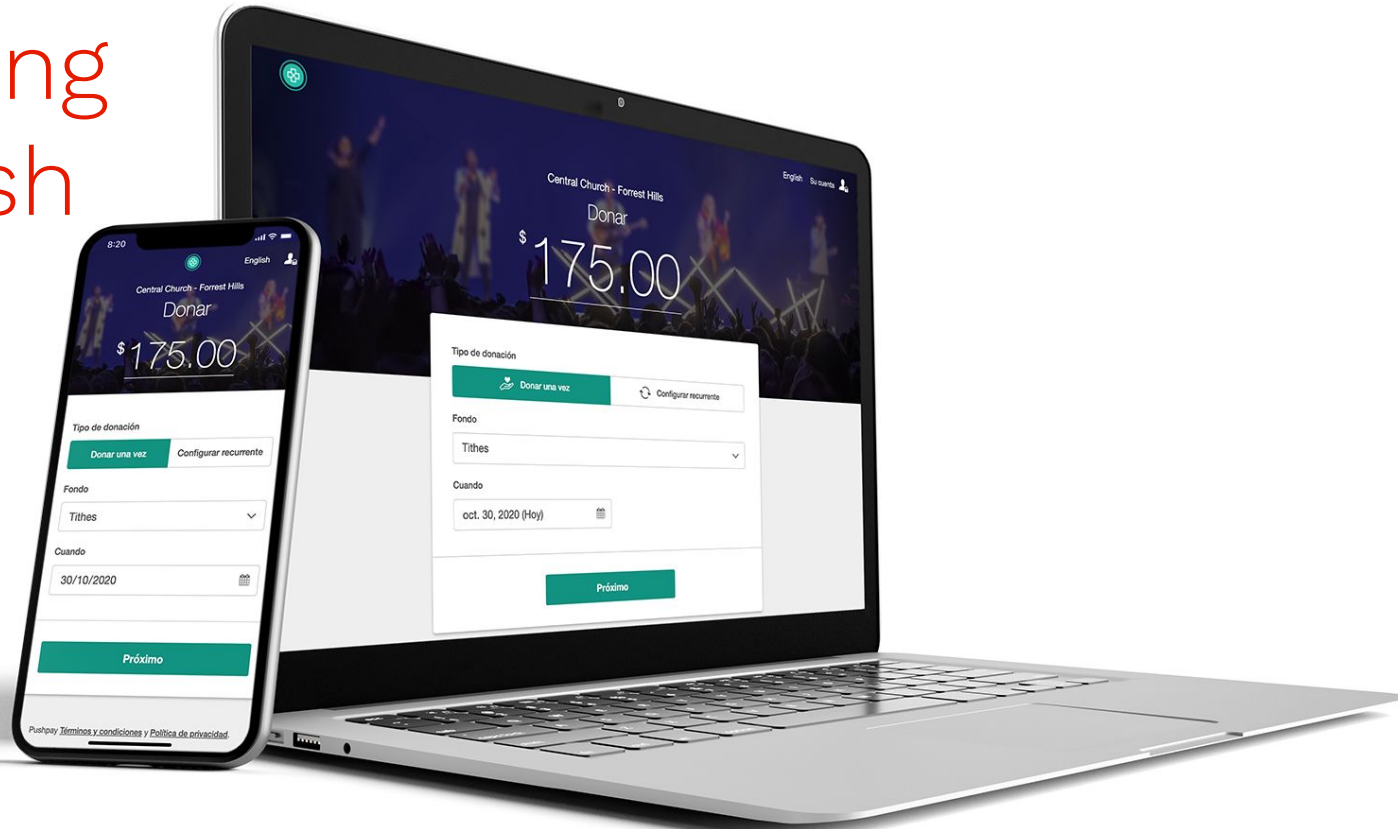
*Marcus Hsia, The Austin Stone Community Church*



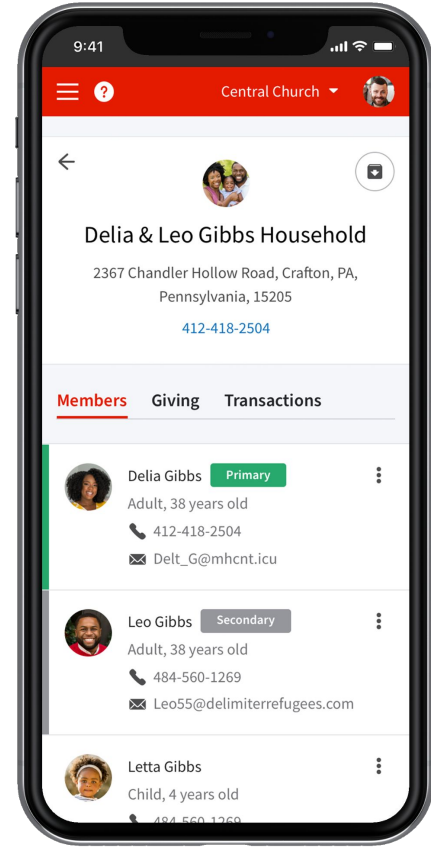
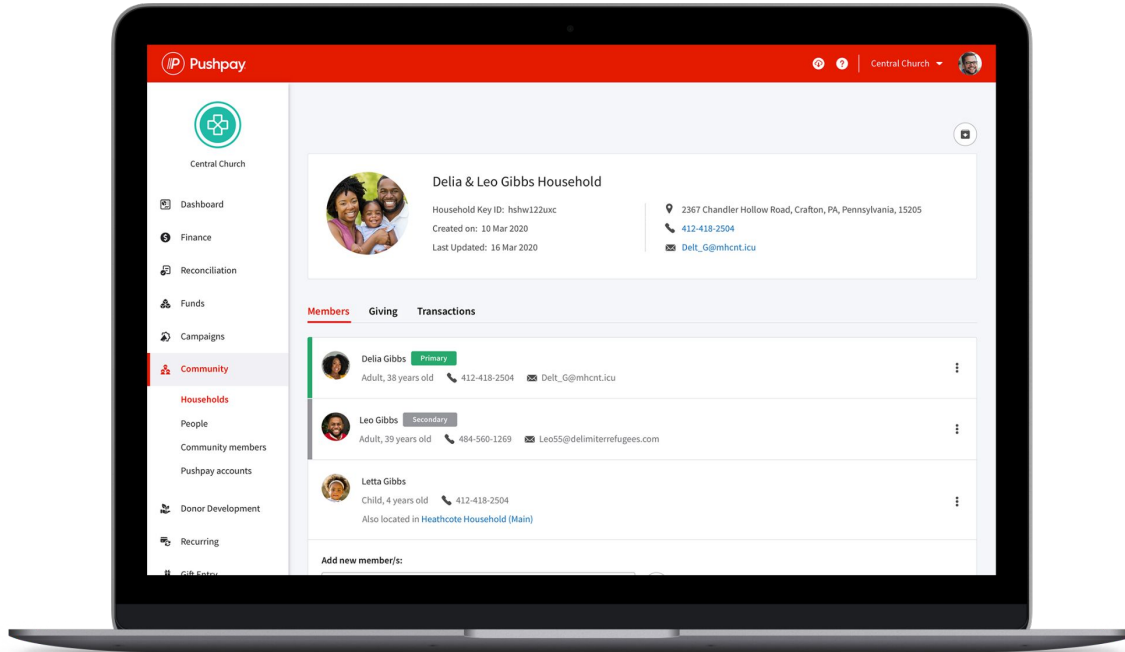
# Instant Check-in



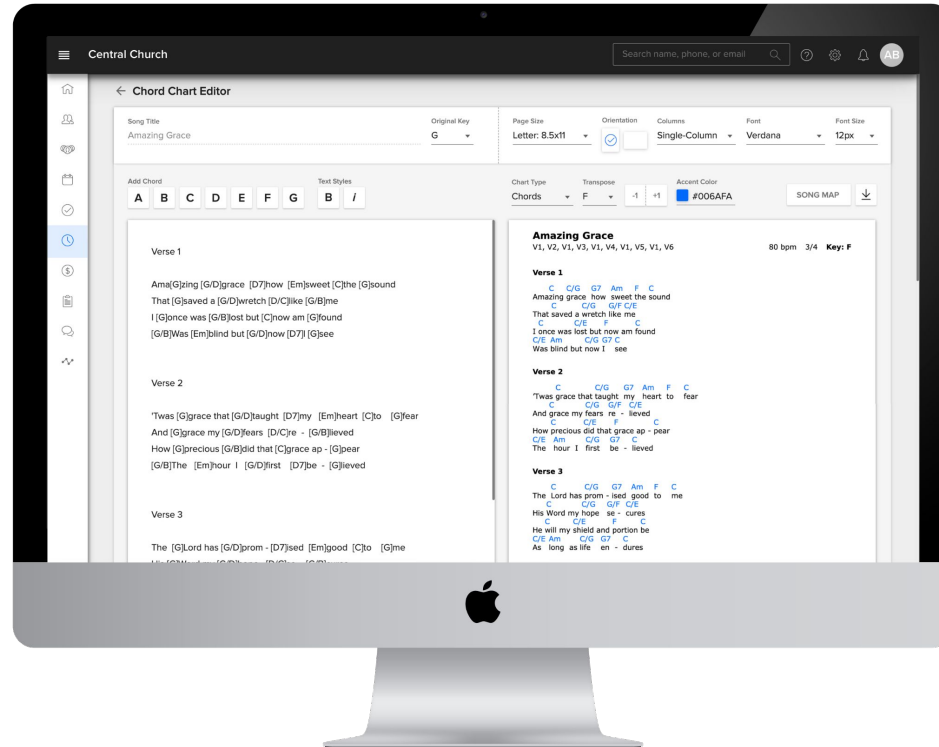
# Web Giving in Spanish



# Households



# Lyric and Chord Chart Editor



# Church Disrupt

- Online digital conference
- 21,900+ registrants
- 7,300+ unique churches across 40+ countries
- 7,000+ Church Disrupt app downloads
- Attendance: 75% prospects, 25% Customers

**CHURCH DISRUPT**  
REGISTER YOUR TEAM FOR FREE AT [CHURCHDISRUPT.COM](https://www.churchdisrupt.com)  
**May 13, 2020**



A group of volunteers, mostly women, are seen from the side, wearing light blue surgical masks and blue nitrile gloves. They are serving food from aluminum trays onto white plates held by a recipient. The setting is outdoors under a wooden structure, possibly a tent or pavilion. The background is slightly blurred, showing more people and greenery.

# Sustainability

COVID-19 Volunteer Response  
Hosanna Church  
Minneapolis, Minnesota, US



# How we are making a difference

- Employee resource groups
- Pushpay Cares programme
- Establishment of Pushpay mentoring programme
- Establishment of Diversity, Equity and Inclusion Committee
- Supporter of the Summer of Tech internship programme in New Zealand
- Supporter of The James One 27 Initiative



The James One 27 Initiative  
New Life Home  
Nairobi, Kenya, Africa



# Pushpay Cares

## Vision for volunteering

- ✓ Enable staff to give back to the community
- ✓ Support and organise quarterly volunteer events
- ✓ Partner with Customers and key philanthropic organisations
- ✓ Self-governing group to contribute, plan and execute
- ✓ Make a difference through generosity

## How we have made a difference

- Helped make 1,500 school lunches for local students in need with the Eat My Lunch organisation in Auckland, New Zealand
- Provided donations to the US Charity, Feed America for each submission through the 'Thankful' campaign
- Provided donations to 12 charities through the 'Twelve Days of Features' campaign

A close-up, profile view of a Black man smiling broadly while looking at a smartphone held in his right hand. The background is a blurred indoor setting with a bookshelf.

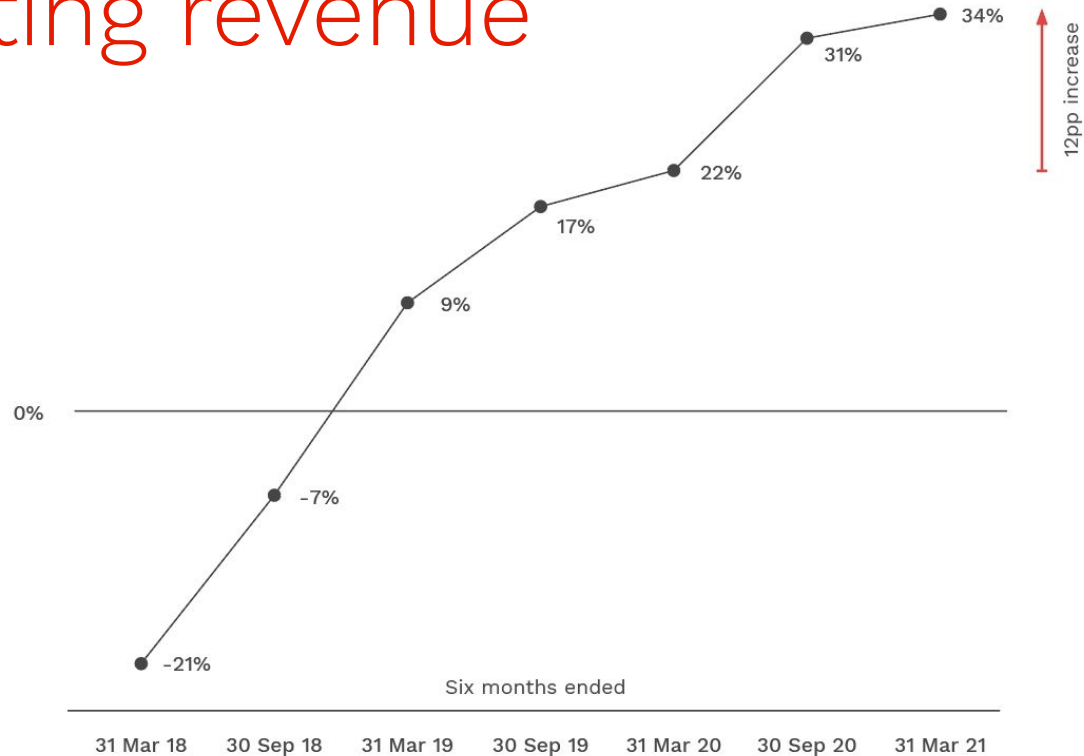
# Finance update

# Income Statement

	<i>Year ended 31 March</i>		<i>Movement</i>	<i>Change</i>
	<i>2021</i>	<i>2020</i>		
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	
Operating revenue	179,052	127,467	51,585	40%
Other revenue	1,979	2,132	(153)	-7%
Third party direct costs	(57,178)	(44,791)	(12,387)	28%
Other operating expenses*	(64,945)	(59,562)	(5,383)	9%
<b>EBITDAF</b>	<b>58,908</b>	<b>25,246</b>	<b>33,662</b>	<b>133%</b>
<b>Net profit for the period</b>	<b>31,182</b>	<b>16,001</b>	<b>15,181</b>	<b>95%</b>

\* Other operating expenses for the prior period have been restated to separate out items below the EBITDAF line such as depreciation and amortisation. Refer to 'Note 2 (c): Changes in accounting policies and disclosures' of the financial statements.

# EBITDAF as a percentage of operating revenue

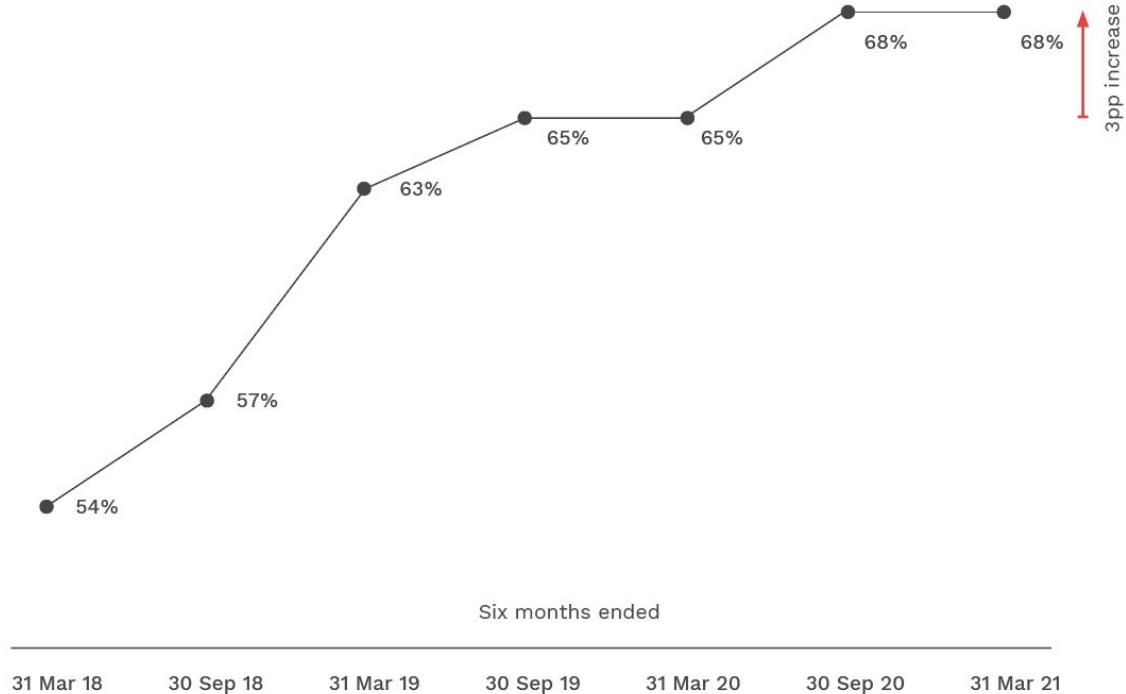


# Business results and gross profit

	<i>Year ended 31 March</i>		<i>Movement</i>	<i>Change</i>
	<i>2021</i>	<i>2020</i>		
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	
Subscription revenue	49,299	35,307	13,992	40%
Processing revenue	128,921	91,985	36,936	40%
Other operating revenue	832	175	657	375%
<b>Total operating revenue</b>	<b>179,052</b>	<b>127,467</b>	<b>51,585</b>	<b>40%</b>
Third party direct costs	57,178	44,791	12,387	28%
<b>Gross profit</b>	<b>121,874</b>	<b>82,676</b>	<b>39,198</b>	<b>47%</b>
<i>Percentage of operating revenue</i>	<i>68%</i>	<i>65%</i>		<i>3pp</i>

Note: pp means percentage point.

# Gross margin percentage



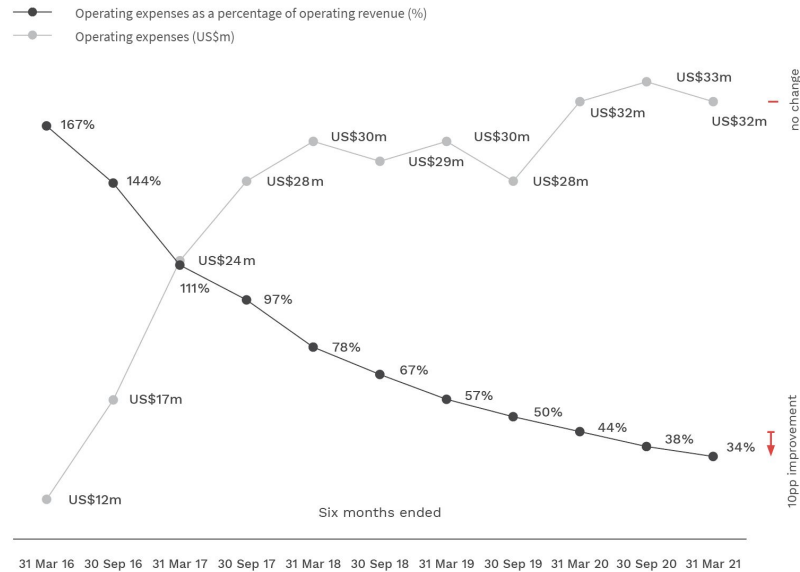


# Operating expenses (ex third party direct costs)

	<i>Year ended 31 March</i>		<i>Movement</i>	<i>Change</i>
	<i>2021</i>	<i>2020</i>		
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	
Product design and development	(16,721)	(13,574)	(3,147)	23%
Sales and marketing	(25,235)	(26,335)	1,100	-4%
Customer success	(8,428)	(6,893)	(1,535)	22%
General and administration	(14,561)	(12,760)	(1,801)	14%
<b>Total operating expenses</b>	<b>(64,945)</b>	<b>(59,562)</b>	<b>(5,383)</b>	<b>9%</b>
<i>Percentage of operating revenue</i>	<i>36%</i>	<i>47%</i>		<i>-11pp</i>

Note: pp means percentage point.

# Operating expenses as a percentage of revenue



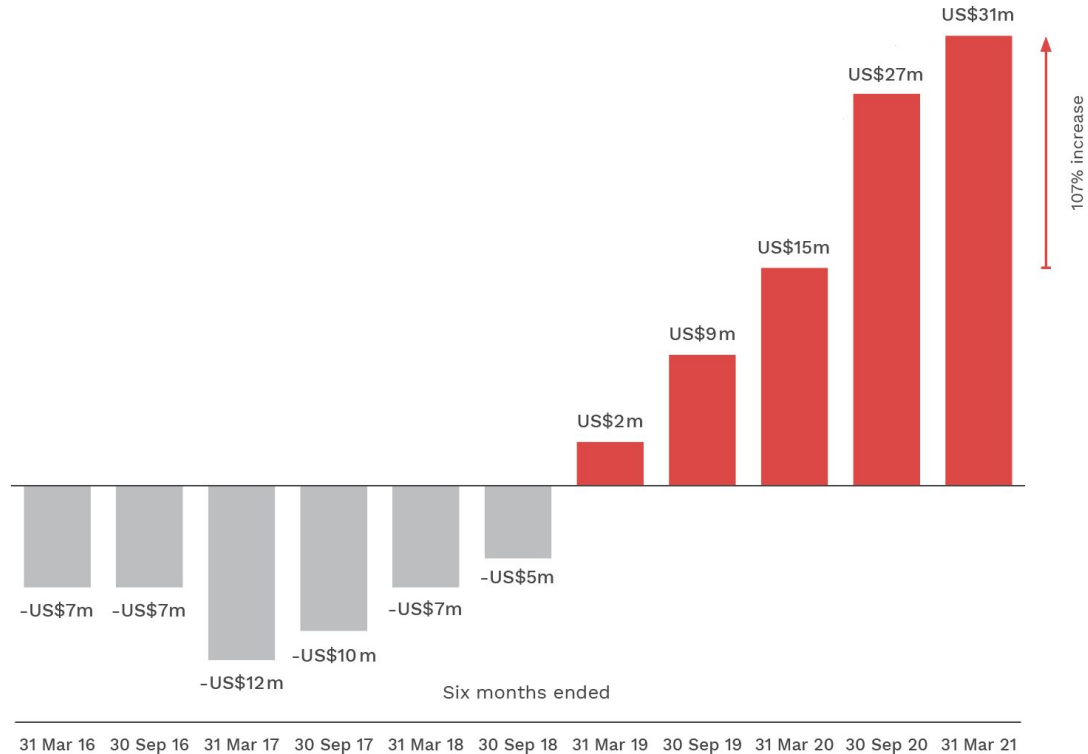
\* Other operating expenses for the prior period have been restated to separate out items below the EBITDAF line such as depreciation and amortisation. Refer to 'Note 2 (c): Changes in accounting policies and disclosures' of the financial statements.



# Statement of Cash Flows

	<i>Year ended 31 March</i>		<i>Movement</i>	<i>Change</i>
	<i>2021</i>	<i>2020</i>		
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	
Receipts from Customers	121,467	86,060	35,407	41%
Other operating activities	(63,865)	(62,539)	(1,326)	2%
<b>Net cash flows from operating activities</b>	<b>57,602</b>	<b>23,521</b>	<b>34,081</b>	<b>145%</b>
Net cash flows from investing activities	320	(84,766)	85,086	-100%
Net cash flows from financing activities	(59,583)	54,967	(114,550)	-208%
<b>Net increase in cash and cash equivalents</b>	<b>(1,661)</b>	<b>(6,278)</b>	<b>4,617</b>	<b>-74%</b>
<b>Cash &amp; cash equivalents at end of the year</b>	<b>4,843</b>	<b>7,203</b>	<b>(2,360)</b>	<b>-33%</b>

# Total operating cash flows



# Statement of Financial Position

	<i>As at 31 March 2021</i>	<i>As at 31 March 2020</i>	<i>Movement</i>	<i>Change</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	
Cash and cash equivalents	4,843	7,203	(2,360)	-33%
Other assets	112,213	127,836	(15,623)	-12%
Unearned revenue	(14,059)	(14,305)	246	-2%
Other current liabilities	(8,375)	(32,123)	23,748	-74%
Non current liabilities	(704)	(35,671)	34,967	-98%
Net assets/total equity	93,918	52,940	40,978	77%

# Outlook

# 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

# 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





# Catholic initiative

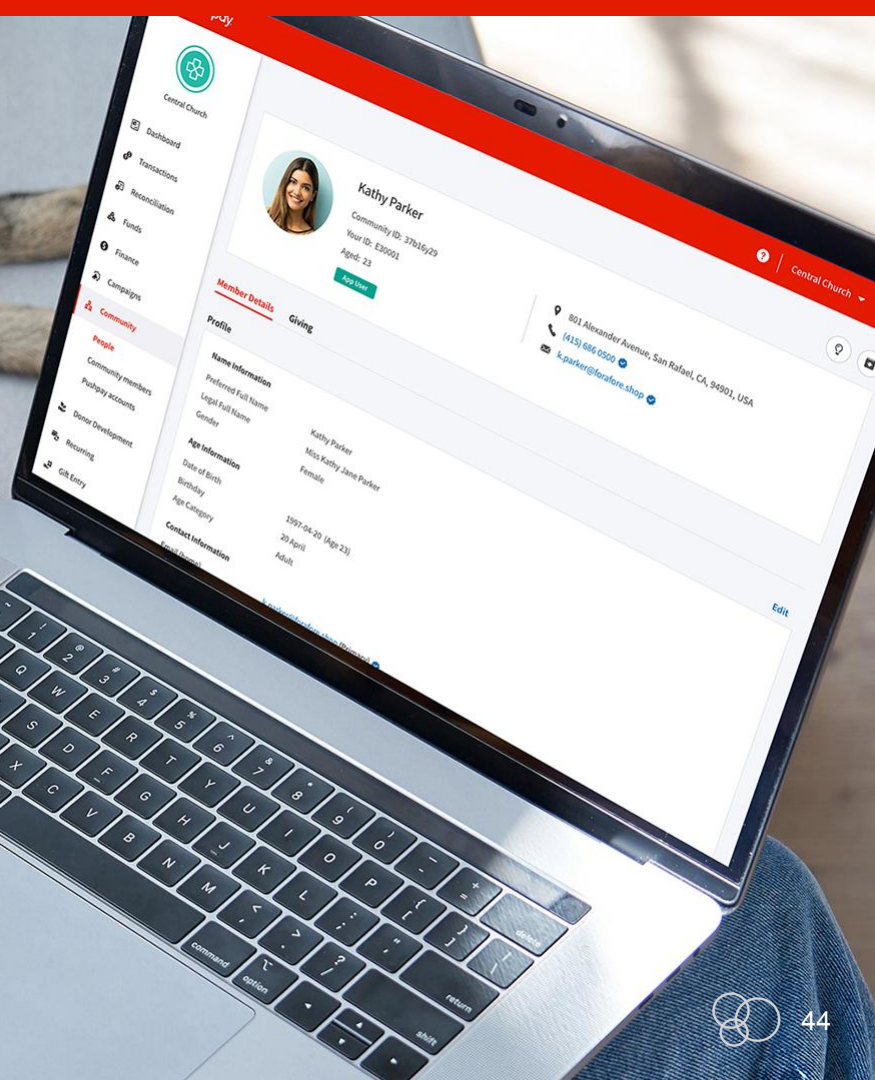
- There are 68 million parish-connected Catholics in the US and 16,703 parishes\*
- FY22 investment expected to be between US\$6.0 million and US\$8.0 million
  - Approximately two thirds being product design and development expense, which Pushpay expects will be capitalised, with the remainder primarily 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

# Q&A

# Appendix



# Staff Headcount

<i>As at 31 March</i>	<i>2021</i>	<i>2020</i>	<i>Change</i>
Product design and development	111	133	-17%
Sales and marketing	130	148	-12%
Customer success	81	87	-7%
General and administration	83	91	-9%
<b>Total Group</b>	<b>405</b>	<b>459</b>	<b>-12%</b>

# Industry recognition



# 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>

