

US Catholic Segment Fact Sheet

July 2022

The Catholic church structure

Parishes: Catholics gather as local communities called parishes. There are approximately 17,000 parishes in the US (skewed more heavily towards medium and large churches)¹.

Diocese/Archdiocese: Parishes are grouped into 14 geographical regions, which are overseen by a Bishop. There are 196 Catholic dioceses in the US, including 32 Archdioceses. An Archdiocese is a very large diocese and is overseen by an Archbishop.

- The Catholic segment of the US faith sector is significant, with US\$30 billion in giving in 2016² representing an estimated annual Total Addressable Market (TAM) revenue opportunity of between US\$600 million and US\$700 million³.
- The Catholic church is similar to the Protestant church but it has its own unique characteristics.
- The largest diocese in the US is the Archdiocese of Los Angeles. It has 288 parishes and a Catholic population of over 4.3 million people.
- Approximately 23% of the American population identify as Catholic (around 70 million people) and it is the second largest religious grouping in the US.
- The Catholic church is structured and organised in a hierarchy. Software and technology decisions can be influenced or made by the dioceses. Some dioceses make a software buying decision for all parishes within their community while others might add a software provider to their approved vendor list where the individual parish may choose to use the software, but they do not necessarily need to use it.
- Diocese-wide organisation and reporting is a critical need.
- The competitive environment is favourable to Pushpay as competitors tend to be smaller companies that are not well-equipped and have antiquated systems.
- The fastest growing Catholic population is Spanish speaking with South America home to more than 425 million Catholics, which is nearly 40% of the world's Catholic population⁴.

Pushpay's Catholic strategy

Pushpay's long term target is 25% share of Catholic parishes.

As at 31 March 2022, Pushpay had:

- Completed a pilot with the Archdiocese of Chicago. Pushpay is now on the approved vendor list and has the ability to sell to parishes individually. The Archdiocese of Chicago represents 246 parishes and a Catholic population of over 2.1 million people;
- Introduced ParishStaq in September 2021 and launched the product offering in January 2022;
- 173 parishes as Customers; and
- Was on the Approved Vendor List for 45 dioceses.

Pushpay's go-to-market Catholic strategy includes:

- Adding Catholic nomenclature and Catholic-specific functionality.
- Localisation, as it is important that we are able to offer a product that is in Spanish, will be launched by the end of FY23.

- Diocese reporting, which is key for the offering and will be underway with our team, and we expect to launch in early next year.

The Archdiocese of Seattle

- The Archdiocese of Seattle is the 15th largest diocese in the USA. It represents a Catholic population of over 600,000 and 174 parishes.
- This is the first time a diocese has mandated Pushpay's entire suite of solutions for every parish. All 174 parishes are signed up under one contract paid by the diocese.
- Pushpay originally started engaging with the Archdiocese of Seattle in 2021. It is a very relational sales process which took approximately nine months in total to complete. We expect the sales process will vary for dioceses and archdioceses based on their size and needs.
- In terms of the onboarding process, the Archdiocese of Seattle is scheduled to have their last cohort fully implemented in early 2024. By mid to late 2023, processing should be coming in from all parishes. It would be extremely rare to see all parishes onboard at one time due to the data migration process.

1 Center for Applied Research in the Apostolate (CARA), Georgetown University: <https://cara.georgetown.edu/frequently-requested-church-statistics/> <https://cara.georgetown.edu/frequently-requested-church-statistics/>

2 IBISWorld

3 Independent assessment by global third-party consultancy. Total Addressable Market (TAM) is the overall revenue opportunity that is available to a product or service if 100% market share was achieved; also referred to as total available market.

4 Pew Research Centre (2014): <https://www.pewresearch.org/religion/2014/11/13/religion-in-latin-america/#:~:text=Latin%20America%20is%20home%20to,first%20time%20in%20its%20history>