

# Interim Results 2023



[investors@pushpay.com](mailto:investors@pushpay.com)

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



# Important notice and disclaimer

This document has been prepared by Pushpay Holdings Limited ("Pushpay") solely to provide interested parties with information about Pushpay and its activities. By receiving this document, you agree to the terms set out in this Important Notice and Disclaimer.

Statements made in this document are made only at the date of this document. The information in this document is subject to change without notice. Except as required by law, Pushpay has no obligation to update any aspect of this document if information changes.

The information in this document is of a general nature only and is not a complete description of Pushpay. This document is not, and does not contain the information required to be included in, a product disclosure statement, prospectus or other disclosure document for the purposes of the Financial Markets Conduct Act 2013 ("FMCA"), the Corporations Act 2001 (Cth) or other applicable law.

The distribution of this document in some jurisdictions may be restricted by law. You must comply with any such restrictions. Any failure to comply with such restrictions may violate applicable securities laws.

This document is not a recommendation or offer of financial products for subscription, purchase or sale, or an invitation or solicitation for such offers. Pushpay shares are not registered under the United States Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the Act and applicable United States state securities laws.

This document is not, and is not intended as, investment, financial or other advice and must not be relied on by any prospective investor. It does not take into account any particular prospective investor's objectives, financial situation, circumstances or needs, and does not purport to contain all the information that a prospective investor may require. Any person who is considering an investment in Pushpay should obtain independent professional advice prior to making an investment decision, and should make any investment decision having regard to that person's own objectives, financial situation, circumstances and needs.

Past performance information contained in this document is given for illustrative purposes only and should not be relied on as, and is not, an indication of future performance.

This document contains forward looking statements with respect to the potential financial condition, results of operations and business, and business strategy of Pushpay. Information about the future, by its nature, involves inherent risks and uncertainties. The assumptions on which Pushpay based its forward looking statements may not be correct. Pushpay's business and operations may be affected by factors not currently foreseeable by Pushpay or beyond its control. Accordingly, forward-looking statements may not be realised. Nothing in this document is a promise or representation as to the future or a promise or representation that a transaction or outcome referred to in this document will proceed or occur at all, or on the basis described in this document. Statements or assumptions in this document as to future matters may prove to be incorrect.

A number of financial measures may be used in this document and should not be considered in isolation from, or as a substitute for, the information provided in the financial statements available at <https://pushpay.com/investors>.

The financial data in this document includes certain measures that are not recognized or calculated under an applicable set of accounting principles. Such measures are commonly referred to as "non-IFRS financial information" or "non-GAAP financial measures". In this document, these measures include Annual Revenue Retention Rate, Total Customers, Total LTV of Customer base, EBITDAF, Underlying EBITDAF and Gross Profit Margin. The Group believes this non-IFRS financial information provides, and these non-GAAP financial measures provide, useful information to users in measuring financial and business performance. The non-IFRS financial information and these non-GAAP financial measures do not have a standardised meaning prescribed by International Financial Reporting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information or non-GAAP financial measures included in this document.

Certain market and industry data used in connection with this document may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither Pushpay or its directors, officers, employees, representatives or advisers ("Representatives") have independently verified any such market or industry data provided by third parties or industry or general publications.

To the maximum extent permitted by law, none of Pushpay and its Representatives makes any representation or warranty, or provides any undertaking, in relation to any information provided in this document (including as to its accuracy, completeness or materiality). To the maximum extent permitted by law, Pushpay and its Representatives shall have no liability of any nature (including in contract, tort (including for negligence), equity, common law, under statute or otherwise) for: any errors or omissions in this document; or any failure to correct or update this document or any other written or oral communications provided in relation to this document; or any claim, loss or damage (whether foreseeable or not) arising from the use of any information in this document or otherwise arising in connection with this document or the information contained in it.

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. Performance highlights
2. Business update
3. Strategy update
4. Financial results update
5. Outlook
6. Q&A



# Performance highlights



# Pushpay at a glance

Year-on-year growth in all key operational metrics, albeit at a slower rate than anticipated

**Total Products  
utilised**

↑ **19,438**  
Up 7% YoY from 18,229

**Total Customers**

↑ **14,602**  
Up 4% YoY from 14,095

**Total Processing  
Volume**

↑ **US\$3.6 billion**  
Up 2% YoY from US\$3.5 billion

**Annual revenue  
retention rate**

**>100%**  
On average for the last five  
years, including the last period

**Total LTV\***

↑ **US\$5.5 billion**  
Up 2% YoY from US\$5.4 billion

**Total transactions  
processed**

→ **18.2 million**  
Remained consistent over the year

**Average  
transaction value**

↑ **US\$198**  
Up 2% YoY from US\$194

**Unique donors\*\***

↑ **2.3 million**  
Up 4% YoY from 2.2 million



Note: The above metrics compare Group performance over the six months ended, or as at, 30 September 2021 to the six months ended, or as at, 30 September 2022.

\* Total Lifetime Value (see the definition on page 41 of this presentation)

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

# FY23 half year results highlights

Reflects a period of investment into the business

## Operating revenue

↑ **US\$103.0 million**

Up 10% YoY from US\$93.5 million

## Gross margin

→ **69%**

Remaining stable over the year

## Underlying EBITDAF

↓ **US\$26.8 million**

Down 10% YoY from US\$29.6 million\*

## NPAT

↓ **US\$8.8 million**

Down 54% YoY from US\$19.1 million

## Operating cash flow

↓ **US\$16.9 million**

Down 47% YoY from US\$31.7 million\*\*

Note: Resi Media was acquired in August 2021 and therefore the prior comparable period has one month of Resi Media contribution.

\* Underlying EBITDAF is a non-GAAP financial measure and not prepared in accordance with IFRS. Please see definition on page 42 of this presentation.

A reconciliation of Underlying EBITDAF to EBITDAF can be found on page 39 of this presentation

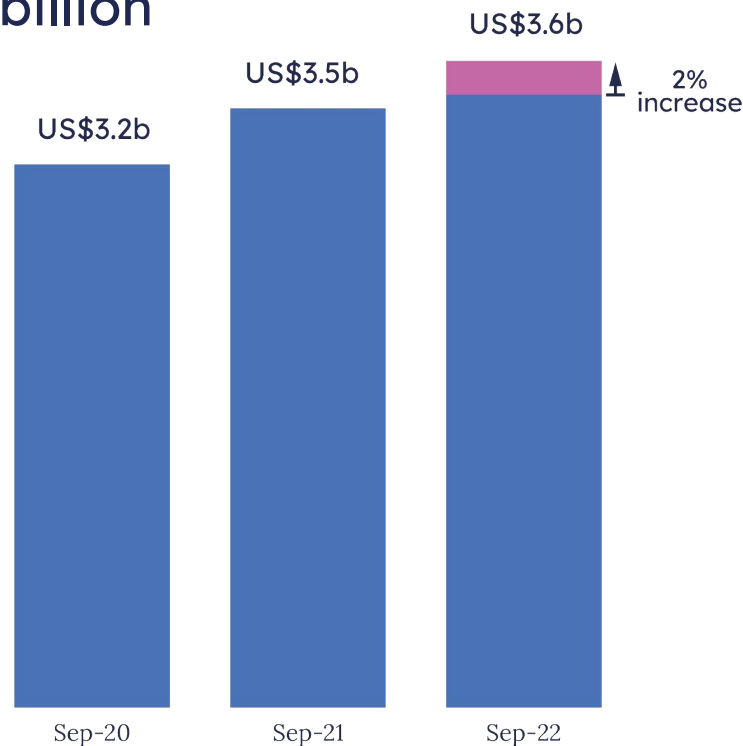
\*\* Includes US\$9.9 million of income tax paid (prior period: US\$0.0 million) as Pushpay has utilised all NZ tax losses and is now in an income tax paying position



# Total Processing Volume growth

Year on year increase of 2% to US\$3.6 billion

- Processing accounts for 64% of the Group's operating revenue
- Growth affected by a slower net new Customer growth due to the go-to-market reset, which is expected to improve in 2H23, combined with delayed processing volumes as new Customers are onboarded along with softer new donors attending existing churches
- Increased number of unique donors and an increased average transaction value, with flat total transactions processed
- Increased recurring giving as a percentage of Total Processing Volume
- Maintained level of digital adoption within the Customer base over first half of FY23 with initiatives to drive future increases in Pushpay's share of wallet

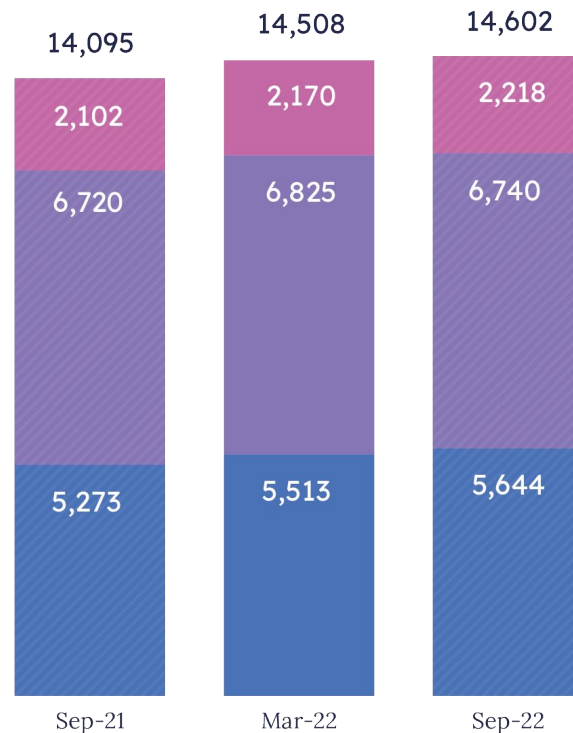


# Total Customers

Year on year increase of 4% to 14,602 Customers

- 507 net new Customer additions between 30 September 2021 and 30 September 2022 was softer than expected due to the go-to-market strategy reset and an uncertain economic backdrop impacting customer purchasing behaviour
- 94 net new Customer additions in 1H23, with 48 being large Customers, driven by Resi Media, Catholic and non-profit strategies, with a small decrease in net new Protestant Customers during the US summer holiday period
- Pushpay's focus is on medium and large customers. Archdiocese of Seattle and US Army Chaplain Corps added as Customers in 1H23
- Overall churn rates increased from 4% to 5% of opening Customer count, primarily in the medium segment
- 97% of Customers based in North America as at 30 September 2022

Half Year Total Customer Numbers\*



**Segment size: Average weekly attendees or equivalent sizes for non-churches**

- Small 0 - 199
- Medium 200 - 1,099
- Large 1,100 and above



\* Non-profit and other entities have now been reallocated into the appropriate segment size (previously included in the small segment). All comparative periods shown have been restated



# Scheme Implementation Agreement



# Scheme Implementation Agreement

- On 28 October 2022, Pushpay announced that it has entered into a Scheme Implementation Agreement under which the Sixth Street and BGH Capital Consortium via Pegasus Bidco Limited (the “Sixth Street/BGH Consortium”) will acquire all of Pushpay’s shares at a price of NZ\$1.34 per share in cash by means of a scheme of arrangement (“Scheme”).
- **The Board (being, for this purpose, all of the Non-Conflicted Directors\*) unanimously recommends that shareholders vote in favour of the Scheme, subject to the Scheme price being within or above the Independent Adviser’s valuation range for Pushpay shares and in the absence of a superior proposal. Subject to the same qualifications, the Non-Conflicted Directors undertake to vote the Pushpay shares that they hold or control in favour of the Scheme.**
- The Pushpay Board has concluded that the Sixth Street/BGH Consortium Scheme proposal currently represents the most compelling value for shareholders. Although the Board remains confident in the future of Pushpay, the transaction will accelerate a capital return to shareholders and mitigate the risks that would otherwise be involved in delivering the opportunities from executing Pushpay’s strategic plan over time.
- The Scheme is subject to Pushpay shareholder and New Zealand High Court approval, applicable regulatory approvals and other conditions as detailed in the Scheme Implementation Agreement. Pushpay shareholder approval will be sought at a special meeting of shareholders currently expected to be held by the end of March 2023.



\* Due to his association with Sixth Street, Pushpay Director John Connolly has not participated in Pushpay’s response to the receipt of unsolicited expressions of interest or the negotiation of the Scheme, and he abstains from providing a recommendation to shareholders. Accordingly, references in this presentation to the Non-Conflicted Directors means the Directors other than Mr Connolly and the Board means all of the Non-Conflicted Directors

# Board process and rationale for the Scheme recommendation

- The Board, consisting of Non-Conflicted Directors\*, has been involved with the process of evaluating potential interest in acquiring Pushpay for the last six months
- During this time, a comprehensive process has been undertaken, with a proactive outreach to test a wide range of parties in addition to those that expressed interest
- Various parties were allowed through different due diligence stages and bids were assessed at each stage for value, certainty and completion risk
- Because of this comprehensive process, the Board is comfortable that the proposed Scheme currently represents the most compelling value for shareholders
- In parallel, the Board requested and reviewed valuation assessments from its financial advisers and an external valuation firm
- These valuations were performed on a discounted cash flow analysis based on reasonable expectations of the future business cash flows, and benchmarked to implied premiums, and comparable trading and transaction multiples
- The Scheme price sits within Board's view on a risk-adjusted value range of the business plan, supported by external valuation advice and market conditions at the time
- The Scheme represents certainty, accelerated value recognition and transfer of execution risk
- Further information on the Scheme, including the Independent Advisers Report will be provided to shareholders prior to the Special meeting of shareholders currently expected to be held by the end of March 2023



\* Due to his association with Sixth Street, Pushpay Director John Connolly has not participated in Pushpay's response to the receipt of unsolicited expressions of interest or the negotiation of the Scheme, and he abstains from providing a recommendation to shareholders. Accordingly, references in this presentation to the Non-Conflicted Directors means the Directors other than Mr Connolly and the Board means all of the Non-Conflicted Directors

# Business update



# Operating environment

Broader macroeconomic trends impacting both Customers and Pushpay

## External impacts

- Slowing US economic growth putting pressure on number of new donors numbers within existing Customers and pressure on Customer decision making on software and other investments
- Inflation and increasing cost of living
- Competitive labour market and wage inflation affecting both Customers and Pushpay
- Increasing competition, particularly in the small to medium end of the Protestant market

## Internal impacts

- Time taken to complete go-to-market strategy reset and recruitment of a new and experienced sales and marketing team
- Soft period with net new Customers and go-to-market performance lower than internal expectations
- Challenges recruiting and retaining staff in a competitive labour market

## Strategic action outcomes

- Completed majority of the go-to-market strategy reset with early signs of improvements
- Strengthened leadership and realigned sales and marketing teams and processes
- Strategic execution underway to further address operating conditions and drive growth
- Recruitment and staff turnover have stabilised
- Record high favourable engagement score, increasing 32% since March 2021





# Go-to-market strategy reset

## Initiatives put in place to drive future growth

- Implemented initiatives to ensure sales and marketing strategy is focused and efficiently addressing Pushpay's target market
- Evaluation of the existing sales and marketing team was completed, which prompted resource and organisational changes
- Sales enablement and training organisations aligned to focus on SaaS best practice training
- Demand generation strategies have been reviewed, which has resulted in an increased number of marketing qualified leads at the top of the sales pipeline, while also improving the segment mix
- Transformed pre-sales team to improve employee retention and focus on mid-market prospects
- Product marketing team restructured to cover all areas of the Pushpay Products and leadership strengthened

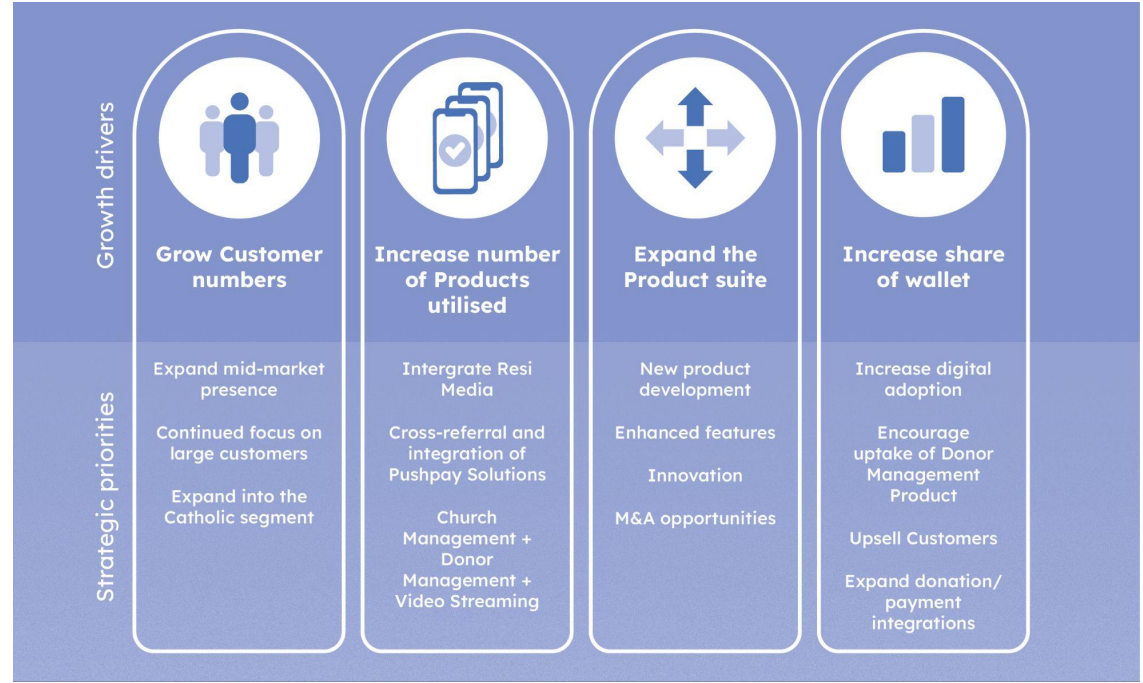
# Strategy update



# Future growth pathway

Investing in targeted opportunities to drive growth

- FY23 represents an investment year for Pushpay as the Company sets the foundation for future growth and executes on its strategic plan
- While the rate of growth has been slower in 1H23 than anticipated, encouraging signs are being seen from the work to date





# Grow Customer numbers

## Strategic progress highlights:

- Welcomed the Archdiocese of Seattle as a Customer following a multi-month sales process. As of 30 September 2022, 134 parishes added
- Welcomed the US Army Chaplain Corps, adding 51 garrisons as software Customers
- Go-to-market reset with sales and marketing organisations being optimised to target mid-market segment
- Continued focus on growing the number of medium and large Customers which have lower acquisition and support costs as a percentage of revenue

# Catholic growth strategy roadmap

Commenced April 2021: FY23 development plan on track

		Year One FY22 (complete)	Year Two FY23	
		Development	Initial sales	1H23 progress update
Investment	Outcomes	<ul style="list-style-type: none"> <li>✓ Investment and expenses of US\$3.2 million in year one (with US\$1.1 million of this capitalised)</li> <li>✓ Built team to 34 by year end, including 20 product and development team members</li> <li>✓ Small loss at Underlying EBITDAF</li> </ul>	<ul style="list-style-type: none"> <li>• Expected investment and expenses of between US\$5-7 million (with US\$3-4 million of this capitalised)</li> <li>• Continue to expand and strengthen Catholic focused teams</li> <li>• Continue to develop product features and capabilities</li> <li>• Breakeven at Underlying EBITDAF</li> </ul>	<ul style="list-style-type: none"> <li>• On track for expected investment and expenses of between US\$5-7 million</li> <li>• Expanded product development and sales teams</li> <li>• ParishStaq enhancements including launch of Comprehensive Sacrament Tracking</li> <li>• On track to reach Breakeven at Underlying EBITDAF for FY23</li> </ul>
		<ul style="list-style-type: none"> <li>✓ Pilot with Archdiocese of Chicago</li> <li>✓ ParishStaq launched in January 2022</li> <li>✓ On Approved Vendor List for 45 dioceses - strong pipeline</li> <li>✓ 173 parishes as Customers at 31 March 2022</li> </ul>	<ul style="list-style-type: none"> <li>• Execute Catholic go-to-market plan</li> <li>• Increase inclusion on Approved Vendor Lists for dioceses</li> </ul>	<ul style="list-style-type: none"> <li>• Archdiocese of Seattle signed as a Customer in July 2022</li> <li>• Increased Approved Vendor List to 49 dioceses</li> <li>• 153 net new Catholic Customers added in 1H23, including 134 from the Archdiocese of Seattle</li> <li>• 326 Catholic Customers as at 30 September</li> </ul>





# Catholic segment expansion

## Early stage of strategy: Progress in line with three-year roadmap

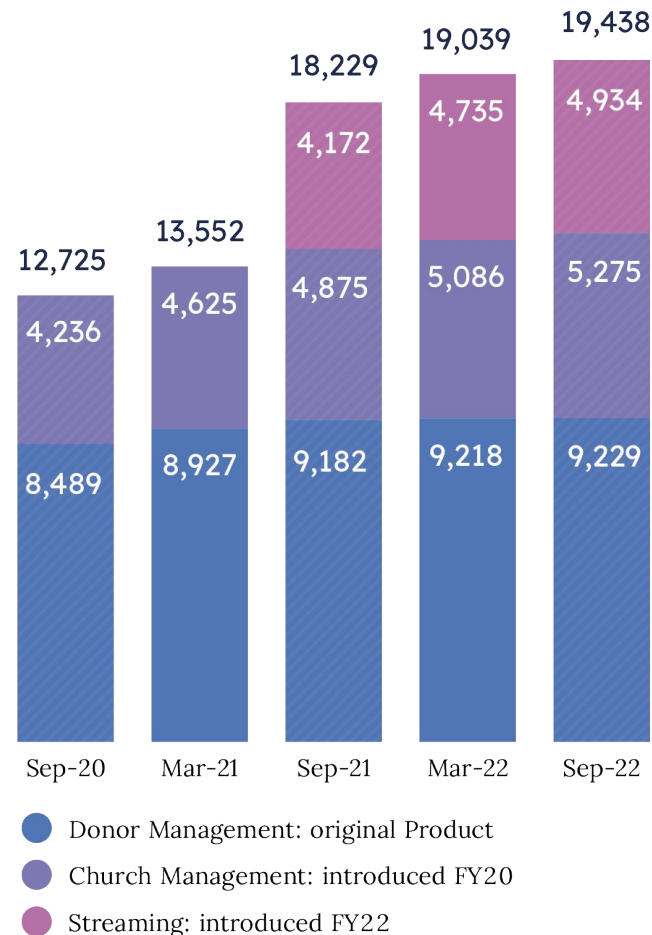
- Commenced Year Two of three-year product roadmap
- Added 153 net new Catholic parishes and further developed market relationships
- 326 total Catholic parish Customers on the Pushpay platform and increased Approved Vendor List to 49 dioceses
- Increased prospective customer activities with Catholic onsite events and creation of Catholic sales territories to drive clear account-based marketing activities
- Launched further enhancements to ParishStaq including Comprehensive Sacrament Tracking functionality
- Implementation of the Archdiocese of Seattle is progressing well. The first cohort is on track to complete full implementation by 31 March 2023. We will see processing revenue increase from this date with the last cohort due to be implemented by early 2024
- Continued focus in FY23 on driving engagement and increasing go-to-market product features, capabilities and strengthened team for the Catholic segment

# Total Products utilised

Year on year increase of 7% to 19,438

## Products

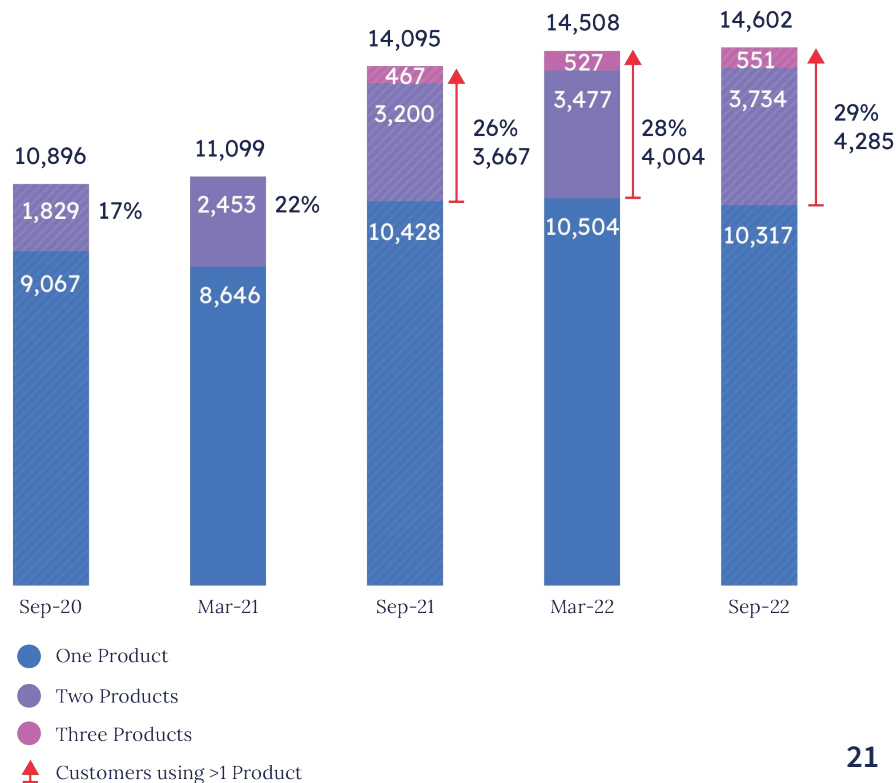
- Resi Media acquisition added approximately 3,900 Products in August 2021
- Growth in all three Product groups over the first half of FY23
- Focus is on driving adoption and increased use of multiple Products through integration
- Donor Management is the Group's core Product
- Goal is to have Customers using our integrated solutions with all three products, which reduces Customer churn



# Customers by number of Products

**Our objective is to encourage Customers to utilise the full suite of three Products**

- Delivered increase in total number of Products utilised and average number of products per Customer in 1H23
- The more of our Products utilised by each of our Customers, the more valuable our integrated solution is to them, thereby increasing retention
- Customers who subscribe to multiple Products deliver significantly higher revenue than a one-Product Customer
- Opportunity to increase the number of Products utilised by each Customer and to attract new Customers through integrated solutions

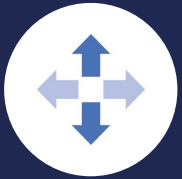


# Resi Media strategy roadmap

Acquired August 2021: FY23 development and integration plan on track

Year One FY22 (complete)		Year Two FY23	
Investment	Development	Build sales	1H23 progress update
	<ul style="list-style-type: none"> <li>✓ Acquisition in August 2021</li> <li>✓ Seven months as part of the Pushpay business</li> <li>✓ Focus on integration into Pushpay's product suite and core business systems</li> <li>✓ Breakeven at Underlying EBITDAF</li> </ul>	<ul style="list-style-type: none"> <li>• Integration with Pushpay's sales and marketing engine</li> <li>• Product enhancement including content storage and video library</li> <li>• Revenue growth greater than 20%, breakeven at Underlying EBITDAF</li> </ul>	<ul style="list-style-type: none"> <li>• Consolidation of IT teams, systems and policies completed; developing a plan and timeline to consolidate primary business systems</li> <li>• Resi Media content storage and video library enhancements</li> <li>• While annualised subscription is expected to grow by approximately 20%, hardware revenue has been softer than expected as both fewer existing and new Customers are currently buying or updating hardware; breakeven at Underlying EBITDAF remains on track</li> </ul>
	<ul style="list-style-type: none"> <li>✓ Resi Live Streaming now available in Pushpay's custom Apps for a seamless viewing experience</li> <li>✓ In-stream giving button released in April 2022</li> </ul>	<ul style="list-style-type: none"> <li>• Strong opportunity to cross-refer product to existing Resi Media and Pushpay Customer bases</li> <li>• Attraction of new customers</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy in place to drive cross-referrals between Donor Management and Resi Media Streaming Customers</li> <li>• 199 streaming Products added, strong pipeline</li> </ul>

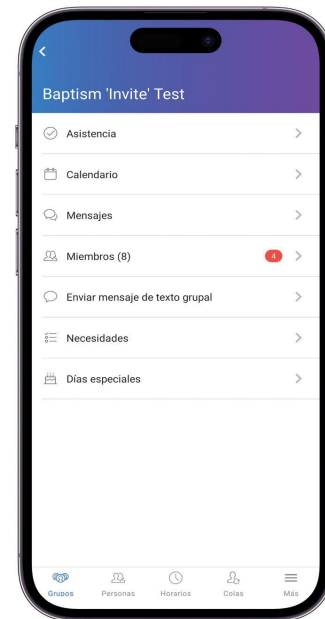
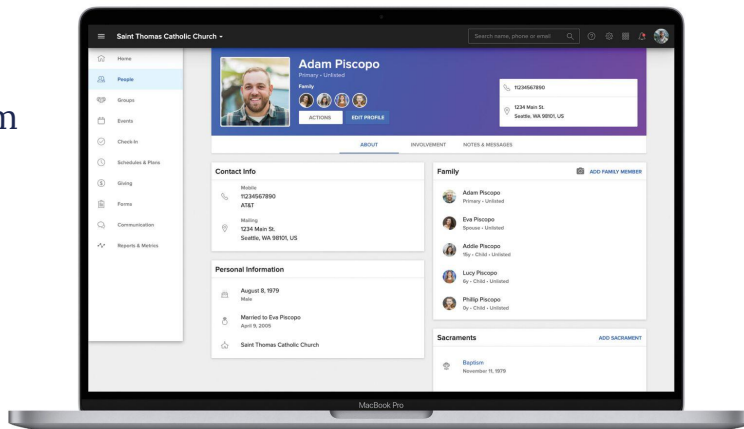




# Expand the Product suite

## Product development and enhancements:

- Comprehensive Sacrament Tracking functionality for Catholic parishes
- Spanish translation now available in the Church Management System and the LEAD App
- Resi Media Studio and Content Library enhancements
- Donor Management System enhancements







# Increase share of wallet

**Share of wallet is the amount of a Customer's total giving that is processed through Pushpay's platform**

Transformational shift to digital giving due to COVID-19 has been maintained and is driving benefit for Pushpay:

- Pre-COVID-19, Pushpay's share of wallet was ~40%\*
- During COVID-19, there was a significant transformation shift to ~55%\*
- Current state – digital giving has remained consistent following 31 March 2022
- Expect digital giving to increase over time
- Working with our Customers on initiatives to both enhance giving and to increase digital adoption

**Share of wallet remained consistent in 1H23**



\* Based on Pushpay data and management estimates

# Our people making an impact

## Pushpay Cares

- Associates across Pushpay's New Zealand and US offices came together in 1H23 to volunteer with organisations in our local communities through the Pushpay Cares programme
- Local organisations included Eat My Lunch in Auckland, New Zealand, Care and Share in Colorado, US and REST (Real Escape from the Sex Trade) in Washington, US

## 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



Eat My Lunch, Auckland, New Zealand



# Financial results update

# Income statement

- Increase in operating revenue was driven by the inclusion of six months of operating revenue from Resi Media as well as growth in Products and Customers
- Operating expenses increased over the period largely due to the inclusion of six months of operating expenses from Resi Media
- Decrease in net profit was largely due to lower EBITDAF, an increase in interest on borrowings to fund the acquisition of Resi Media and an increase in the amortisation of Resi Media intangible assets as well as net foreign exchange losses in the period. Lower EBITDAF and the other items mentioned also lead to lower tax expense
- More detailed information can be found in the Management Commentary in the 2023 Interim Report

Six months ended 30 September	2022 US\$000	2021 US\$000	Change
Operating revenue	103,026	93,491	10%
Other revenue	26	20	30%
Third party direct costs	(31,536)	(29,272)	8%
Other operating expenses	(51,202)	(37,325)	37%
<b>EBITDAF</b>	<b>20,314</b>	<b>26,914</b>	<b>-25%</b>
<b>Underlying EBITDAF</b>	<b>26,772</b>	<b>29,623</b>	<b>-10%</b>
<b>Net profit for the period</b>	<b>8,791</b>	<b>19,127</b>	<b>-54%</b>



Note: Underlying EBITDAF is a non-GAAP financial measure and not prepared in accordance with IFRS. Please see definition on page 42 of this presentation. A reconciliation of Underlying EBITDAF to EBITDAF can be found on page 39 of this presentation.

# Operating revenue

- Increase in subscription revenue driven by six months of subscription revenue from Resi Media
- Softness in net new Customer growth while we reset and strengthened the sales and marketing functions

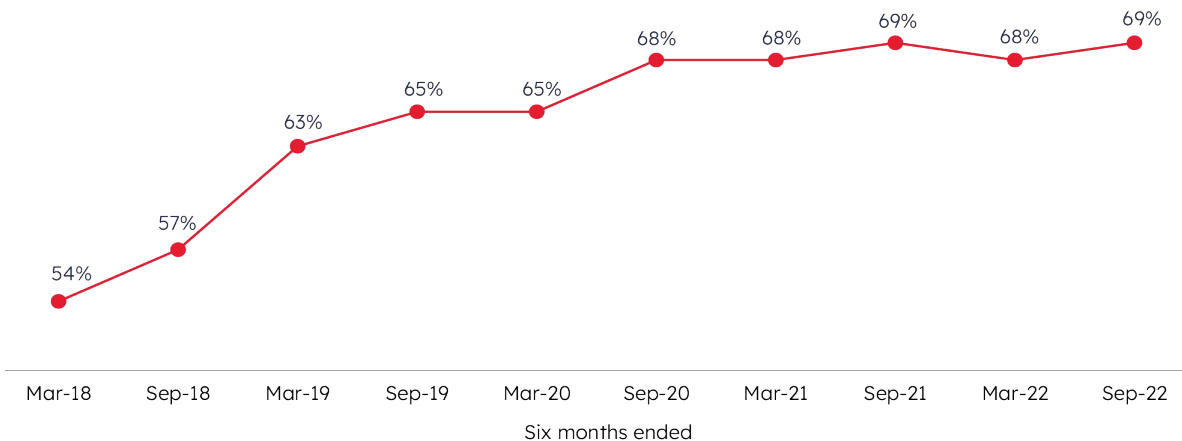
Six months ended 30 September	2022 US\$000	2021 US\$000	Change
Subscription revenue	34,948	27,272	28%
Processing revenue	66,049	65,133	1%
Other operating revenue	2,029	1,086	87%
<b>Total operating revenue</b>	<b>103,026</b>	<b>93,491</b>	<b>10%</b>
Third party direct costs	(31,536)	(29,272)	8%
<b>Gross profit</b>	<b>71,490</b>	<b>64,219</b>	<b>11%</b>
Percentage of operating revenue	69%	69%	0 pp

1H23 period on period growth (%)	Including Resi Media	Excluding Resi Media
Subscription revenue	28%	0%
Processing revenue	1%	1%
Other operating revenues	87%	-18%



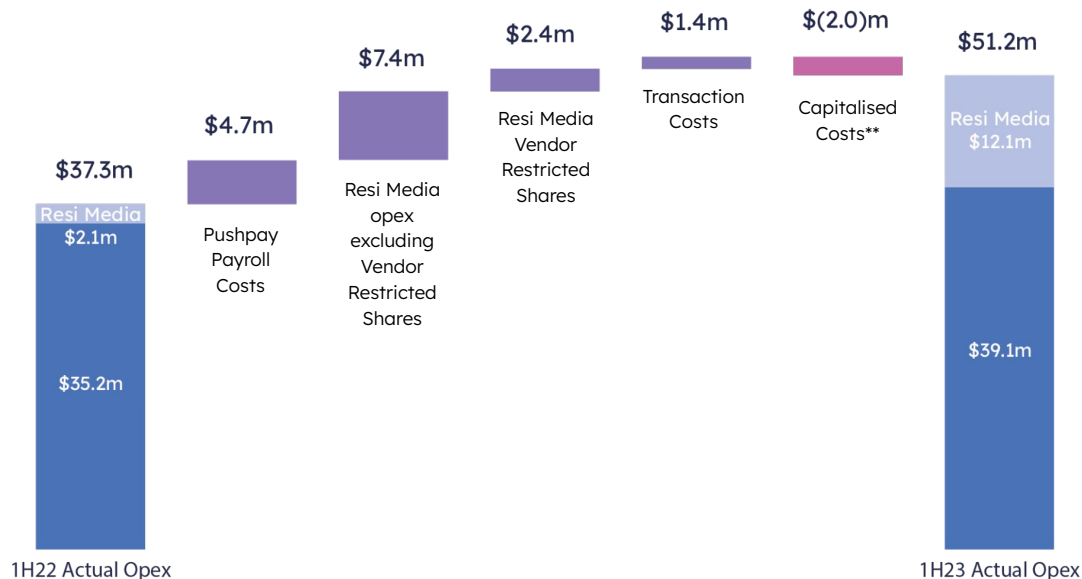
# Gross margin percentage

- Gross margin as a percentage of operating revenue remained consistent at 69% when compared to the prior comparable period
- Pushpay expects gross margin to be consistent and sustainable at this level



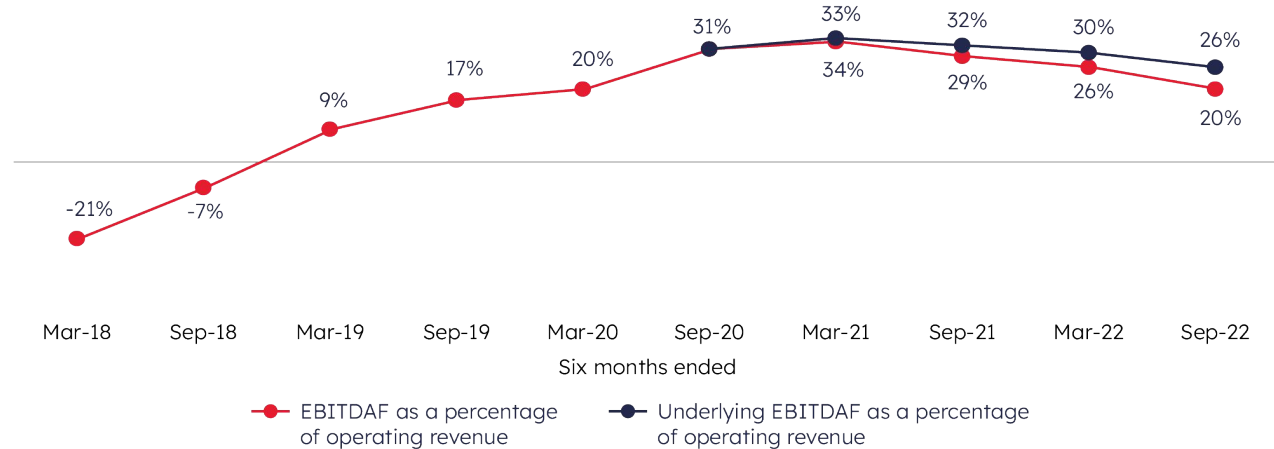
# Operating expenses

- Operating expenses increased by 37% over the period primarily due to the inclusion of six months of operating expenses from Resi Media, as well as non-recurring transaction costs\*
- Excluding the Resi Media operating expenses and transaction costs, operating expenses increased by 8%, largely payroll costs related to a 7% increase in headcount and the FY22 remuneration review



# EBITDAF as percentage of operating revenue

- EBITDAF reflects the investment into the Catholic growth strategy and inclusion of six months from Resi Media
- It also includes non-recurring transaction costs such as costs related to the intercompany transfer of intellectual property and expressions of interest process. These are removed from Underlying EBITDAF



# Statement of Financial Position

- Positive net operating cash flow, of US\$16.9 million as at 30 September 2022 includes US\$9.9 million of income tax paid (prior period: US\$0.0 million)
- Other current liabilities decreased by 25% due to the US\$9.9 million income tax payment
- US\$90 million debt facility for the acquisition of Resi Media in August 2021. Bank debt reduced from US\$54.0 million as at 31 March 2022 to US\$40.0 million as at 30 September 2022
- Net debt was US\$35.1 million as at 30 September 2022

	As at September 2022 US\$000	As at 31 March 2022 US\$000	Change
Cash and cash equivalents	4,904	6,755	-27%
Other current assets	20,584	23,034	-11%
Intangible assets	216,194	218,929	-1%
Other non-current assets	12,691	12,620	1%
<b>Total assets</b>	<b>254,373</b>	<b>261,338</b>	<b>-3%</b>
Unearned revenue	16,894	16,974	0%
Other current liabilities	16,781	22,420	-25%
Borrowings	40,000	54,000	-26%
Other non-current liabilities	4,823	5,699	-15%
Equity	175,875	162,245	8%
<b>Total liabilities and equity</b>	<b>254,373</b>	<b>261,338</b>	<b>-3%</b>

# Transfer of IP update

## On hold pending the outcome of the Scheme Implementation Agreement

- On 11 May 2022, Pushpay advised that the Group is intending to enter into an internal restructuring transaction in which it will transfer intellectual property from a New Zealand Pushpay subsidiary to a USA Pushpay subsidiary
  - Non-cash transaction
  - Costs of the transaction included in both FY22 and FY23 and are excluded from Underlying EBITDAF
- Following May 2022, Pushpay obtained a binding ruling from the New Zealand Inland Revenue Department, along with banking approval

# Outlook





# Guidance for the year ending 31 March 2023

## Guidance updated on 28 October 2022:

- For the FY23 financial year, Pushpay expects to be at the lower end of its previous FY23 Underlying EBITDAF guidance of between US\$56.0 million and US\$61.0 million
- As a result, the Company revised its guidance range for Underlying EBITDAF to be between **US\$54.0 million and US\$58.0 million**
- Pushpay continues to forecast positive operating revenue growth but has lowered expectations to be between **4% and 8%** for FY23 (previous guidance 10% to 15%)



Note: Underlying EBITDAF excludes transaction costs including those associated with the expressions of interest process.

# Medium-term outlook

## **Pushpay has extended its timeline to achieve its medium-term goals.**

Pushpay's FY25 goals of more than US\$10 billion in Total Processing Volume and greater than 20,000 Customers have not changed. However, the time to achieve these has been impacted by current operating trends. It is now expected to take a further 12 to 18 months, on the basis that the current trends improve.

**Significant medium-term organic revenue growth:** Significant opportunities through Resi Media acquisition and expansion into the Catholic segment to further accelerate growth.

**Delivering profitable growth:** FY22/23 investment into talent, resources and capability, balanced with continued cost management discipline. Benefits from investment will be seen from FY24 with Underlying EBITDAF expected to grow faster than revenue.

**Building our market share in new and existing markets:** Clear strategic plan for growth with existing opportunities and significant pipeline. Continued investment in development of new products and go-to-market strategies to maximise opportunities.

# Q&A



# Appendix



# Underlying EBITDAF reconciliation

- The Group reports Underlying EBITDAF as it believes that this measure provides a more appropriate representation of the Group's performance

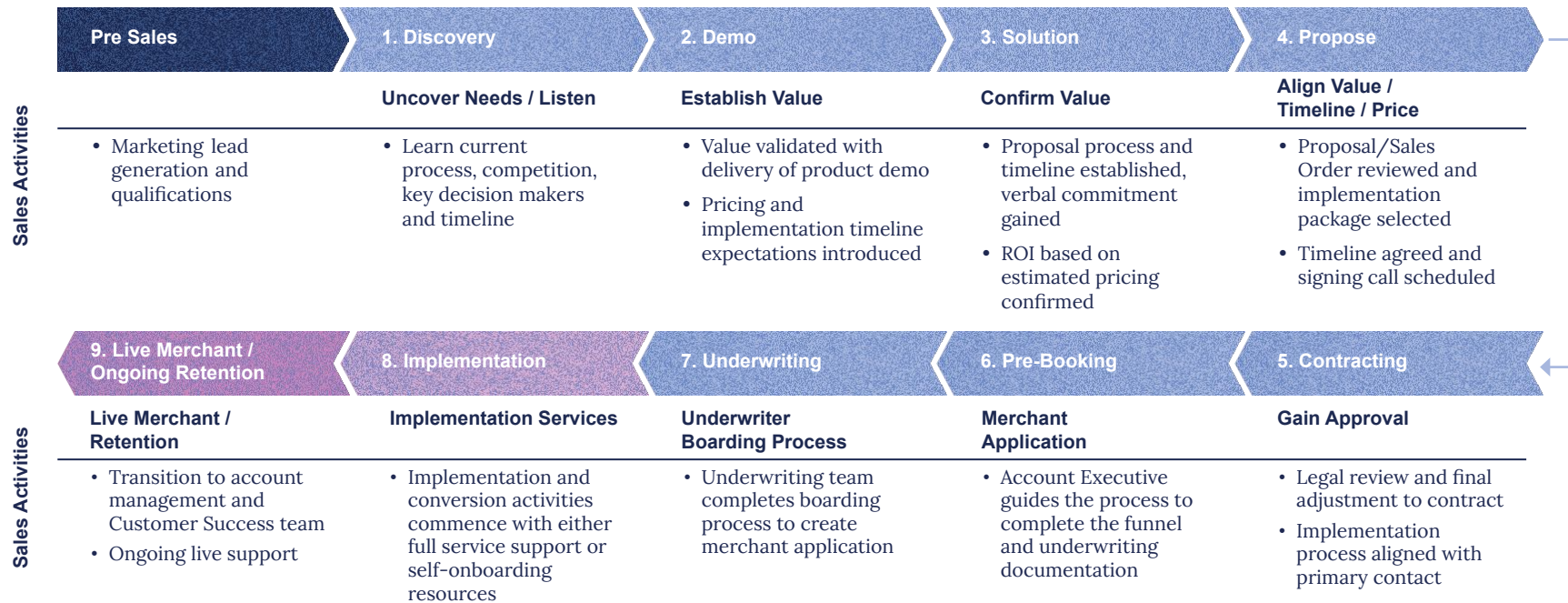
Six months ended 30 September	2022 US\$000	2021 US\$000	Change
<b>Earnings before interest, tax, depreciation, amortisation, and foreign currency gains/(losses) (EBITDAF)</b>	20,314	26,914	-25%
Percentage of operating revenue	20%	29%	-9 pp
<b><i>Adjustments to EBITDAF for non-recurring items</i></b>			
Transaction costs	3,262	1,869	75%
Fair value discount on unearned revenue acquired	196	277	-29%
Impact of vendor restricted shares on employee benefits	3,000	563	433%
<b>Underlying Earnings before interest, tax, depreciation, amortisation, and foreign currency gains/(losses) (Underlying EBITDAF)</b>	26,772	29,623	-10%
Percentage of operating revenue	26%	32%	-6 pp



Note: Underlying EBITDAF is a non-GAAP financial measure and not prepared in accordance with IFRS. Please see the definition on page 42 of this presentation.

# Customer journey

Average time to complete full process: Small: 30-90 days; medium and large: 60-120 days





# Key metric definitions

**Annual Revenue Retention Rate** – is revenue retained from Customers (subscription revenue and processing revenue) in the year, compared to the amount of subscription and processing revenue earned in the previous year, for Customers who joined Pushpay prior to the beginning of the comparative 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 Products that Customers purchase, 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. For non-church Customers where organisations are not measured via weekly attendance, Pushpay aligns Customers to the small, medium and large groupings based on overall organisational size and the amount of revenue those Customers will generate.

**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.

**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.

**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 accounting standards.



# Key metric definitions (continued)

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

**Products** – is the total number of Pushpay products utilised by Customers. An individual Customer may hold one or more Products. Pushpay currently offers three products, including a Donor Management System, Church Management System and Streaming. A Customer purchasing ChurchStaq™ currently has two Products, being a Donor Management System and a Church Management System.

**Subscription Fees** – is recurring fees based on the Products that Customers purchase, 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 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.

**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.

**Underlying Earnings before Interest, Tax, Depreciation, Amortisation and Foreign currency gains/(losses) (Underlying EBITDAF)** – is a non-GAAP financial measure calculated as EBITDAF excluding one-off changes as well as costs and IFRS accounting adjustments relating to acquisitions. This includes cash and non-cash expenses such as transaction costs, expensing of the restricted shares provided to the vendors as part of any transaction and fair valuing of unearned revenue acquired on acquisition. The Group believes that this measure provides a more appropriate representation of the Group's performance. The definition and calculation of Underlying EBITDAF remains consistent with prior periods.

**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).