Pushpay

2020 Investor Day

10 November 2020 (NZT)

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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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

Session	Pushpay presenter(s)
CEO update	Bruce Gordon, Chief Executive Officer
CFO update	Shane Sampson, Chief Financial Officer
Fireside chat with Timberlake Church	Molly Matthews, Chief Customer Officer
Product update	Aaron Senneff, Chief Technology Officer
Product demo	Brian Byersdorf, Account Executive
Q&A with Pushpay management	Bruce Gordon, Chief Executive Officer Shane Sampson, Chief Financial Officer Steve Basden, Chief Growth Officer Molly Matthews, Chief Customer Officer Aaron Senneff, Chief Technology Officer

CEO update

Bruce Gordon, Chief Executive Officer

al use only

FY21 Interim Results recap

Operating Revenue

US$85.6 million, up from US$56.0 million, an increase of 53%

EBITDAF

US$26.7 million, up from US$9.6 million, an increase of 177%

Operating cash flow

US$27.0 million, up from US$8.9 million, an increase of 203%

CHURCH COMMUNITY BUILDER

ChurchStaq™

Dec 2019

Church Community Builder acquired

Sep 2020

ChurchStaq™ launched

ChMS functionality in the App launched

Connection Pack (ChMS only) released

Mar 2020

COVID-19 pivot to digital services

Apr 2020

Pushpay and Church Community Builder merged into one organisational structure

Pushpay and Church Community Builder initial joint product value proposition launched

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Guidance for the year ending 31 March 2021

EBITDAF of between US$54.0 million and US$58.0 million

Previously EBITDAF of between US$50.0 million and US$54.0 million as announced on 18 June 2020.

# Board and leadership

Lovina McMurchy

Independent Director

Lorraine Witten

Independent Director

Church landscape traveling through the COVID-19 season

Key outtakes from Customer research:

- Blend of digital-only and in-person / digital

- "The way church is done will be forever changed"

- Technology delivers:

  - Connection between church leaders and participants

  - Connection between participants and participants

  - Efficiency to run the church (including remote)
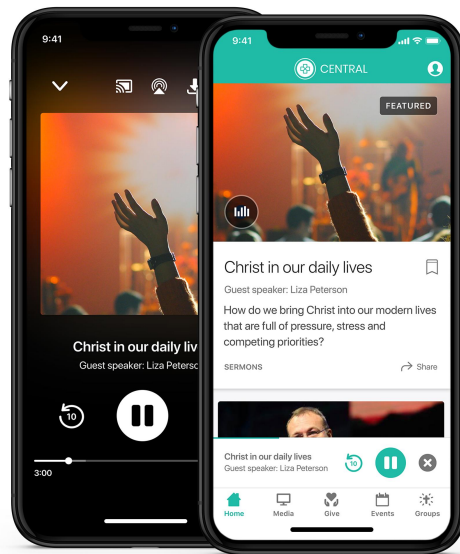
Shaping our strategy

Things to consider as we move forward:

- One-stop-shop - trusted partner relationship

- New solutions must be scalable, personalisable and flexible

- Native and cross platform apps

  - Single sign-in and ease of use

  - Insights into their community - know, grow and keep

  - Tools to move people forward in their community, faith and giving journeys

Our vision for the future…

… a robust integrated ecosystem, offering products through a Pushpay marketplace

Integrations
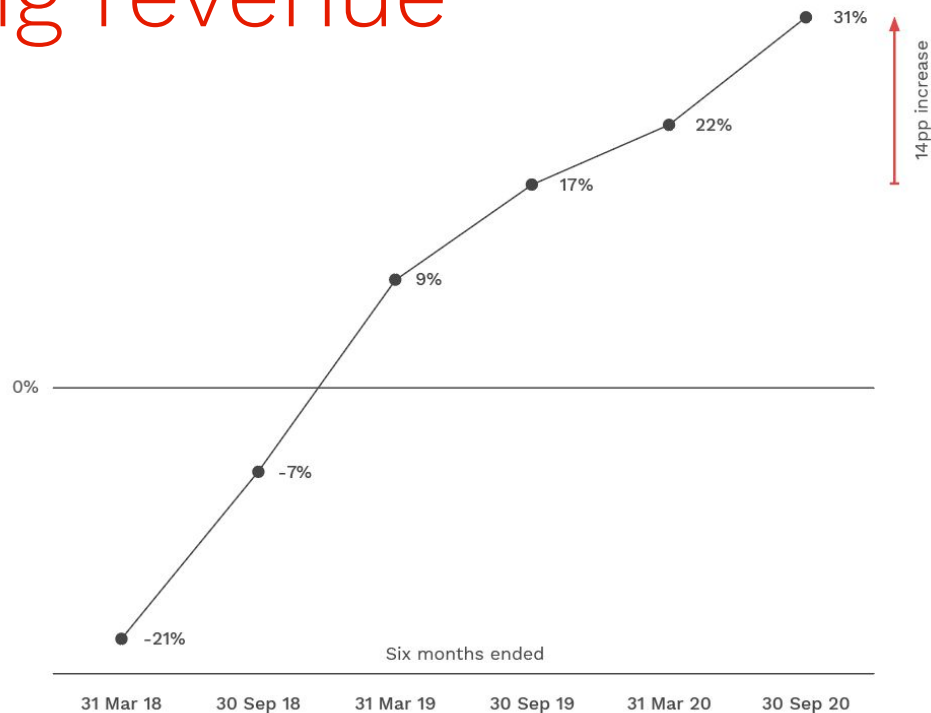Large merchant processors

Software Offerings
Events
Missions
Mobile Apps
Volunteer Management
Live Streaming
Analytics
Groups
HR software
Bookkeeping software
Music Licensing
Giving
Bible Study
Texting

Buyers
Megachurches
Large non-denom
Medium, established
Small Denominational
Church Plants
Catholic Parishes
Denomination Groups
Archdioceses
Church Networks

Geographies
US
South East Asia
South America

Adjacencies
NPO
Education / tertiary

CFO update

Shane Sampson, Chief Financial Officer

FY21 Interim Results key outtakes
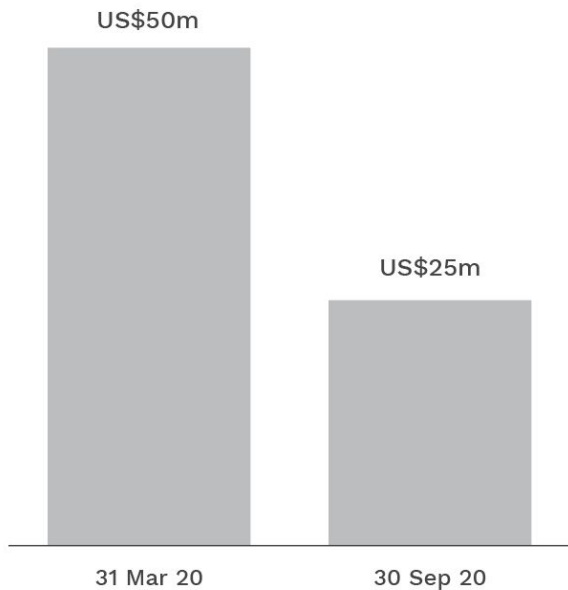
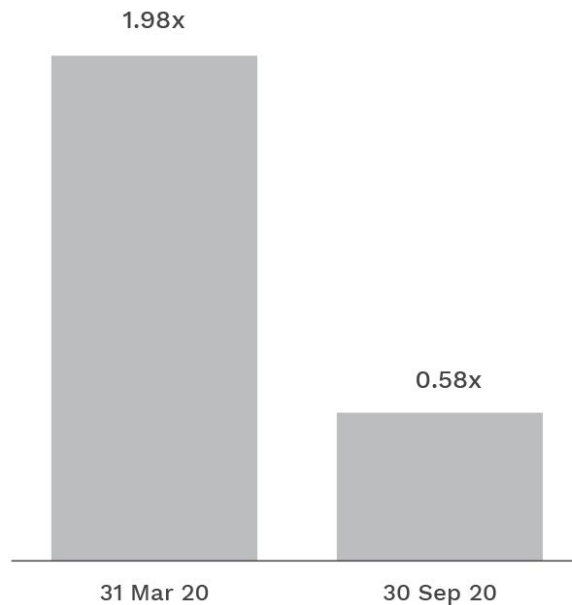# EBITDAF as a percentage of operating revenue

31%

14pp increase

22%

17%

9%

0%

-7%

-21%

Six months ended

31 Mar 18   30 Sep 18   31 Mar 19   30 Sep 19   31 Mar 20   30 Sep 20

Total operating cash flows

US$27m

203% increase

US$15m

US$9m

US$2m

-US$5m

-US$7m

-US$7m

-US$7m

-US$10m

-US$12m

Six months ended

31 Mar 16   30 Sep 16   31 Mar 17   30 Sep 17   31 Mar 18   30 Sep 18   31 Mar 19   30 Sep 19   31 Mar 20   30 Sep 20

Borrowings

Net debt

	US$50m	US$25m
	31 Mar 20	30 Sep 20

Net debt:EBITDAF*

	1.98x	0.58x
	31 Mar 20	30 Sep 20
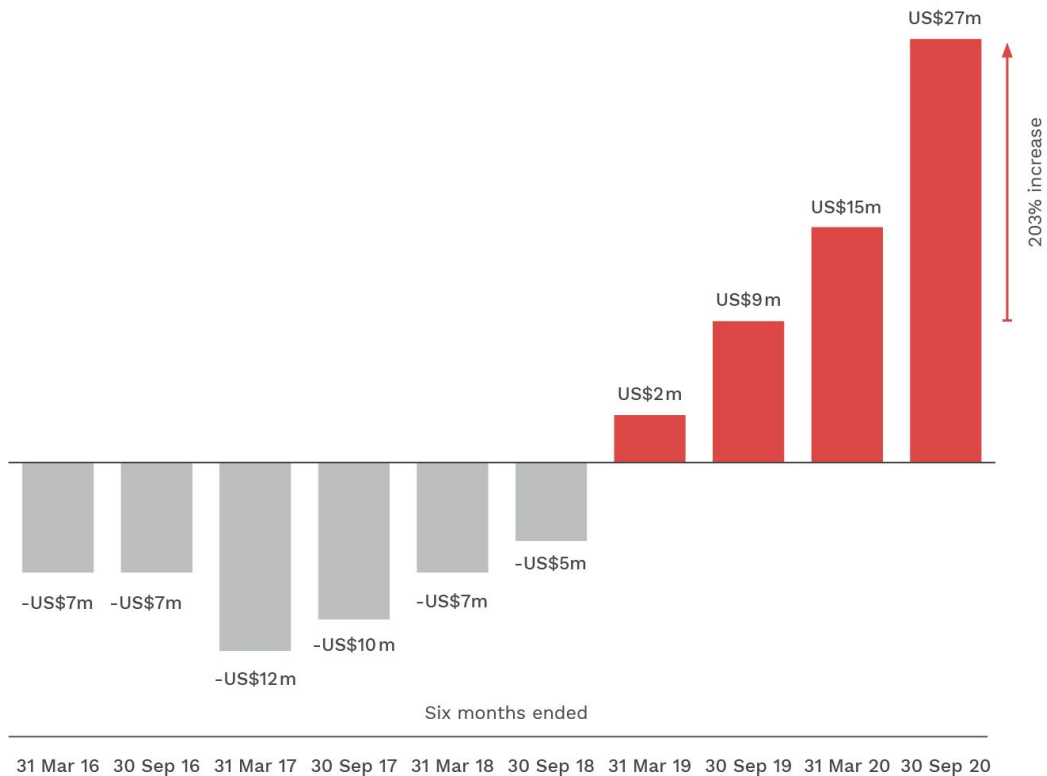
*   12 months rolling EBITDAF

Customers*

10,896

total Customers

as at 30 September 2020

Alaska

Canada

Redmond, WA office

Continental USA

Colorado Springs, CO office

Hawaii

Mexico

<50 Customers
51-250
51-1,000
>1,001
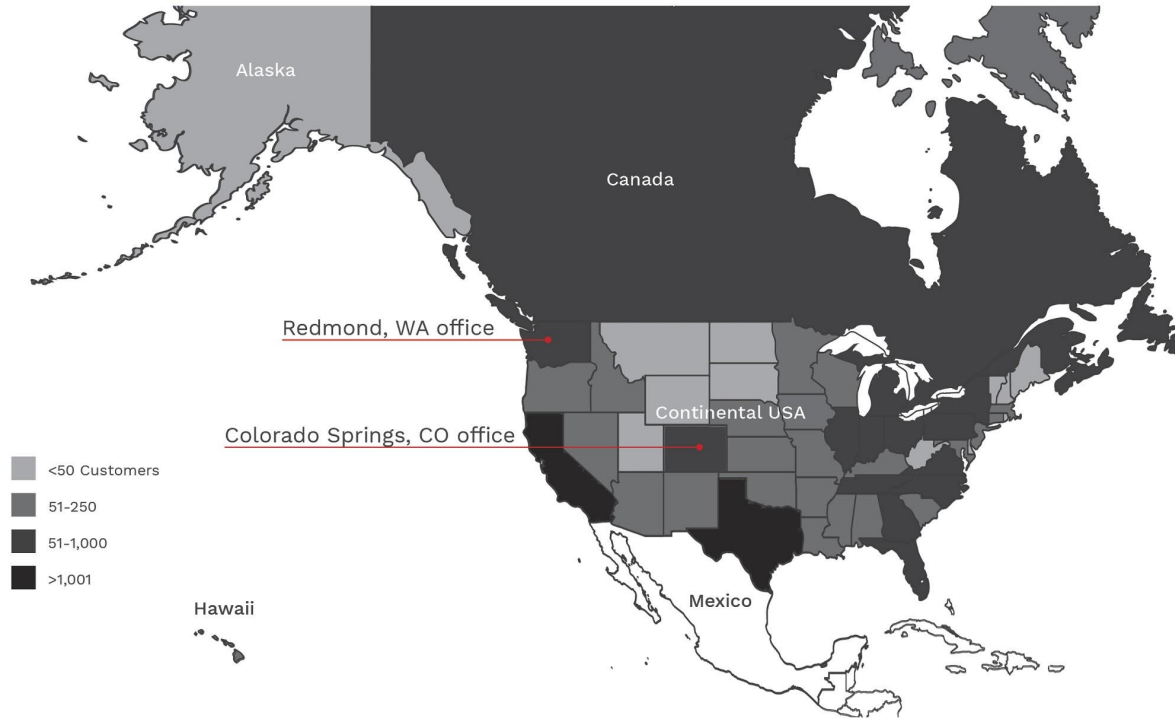
* Map includes locations in North America of Customers which have been added to the Pushpay platform as at 30 September 2020.

Customers

	30 September 2020	31 March 2020	Movement
Total Customers	**10,896**	**10,896**	**0**
Product holdings			
Donor Management System	8,489	8,180	309
Church Management System	4,236	4,158	78

Customers

Customer Movement

Gross New		Churn	Net Change

Gross New → **Donor Management only** → **Churn**

Dropped ChMS ↑ / Cross-sell ChMS ↓

Gross New → **ChurchStaq** → **Churn**

Dropped Donor Mgmt ↓ / Cross-sell Donor Mgmt ↑

Gross New → **ChMS only** → **Churn**

Gross New → **Total Group** → **Churn**
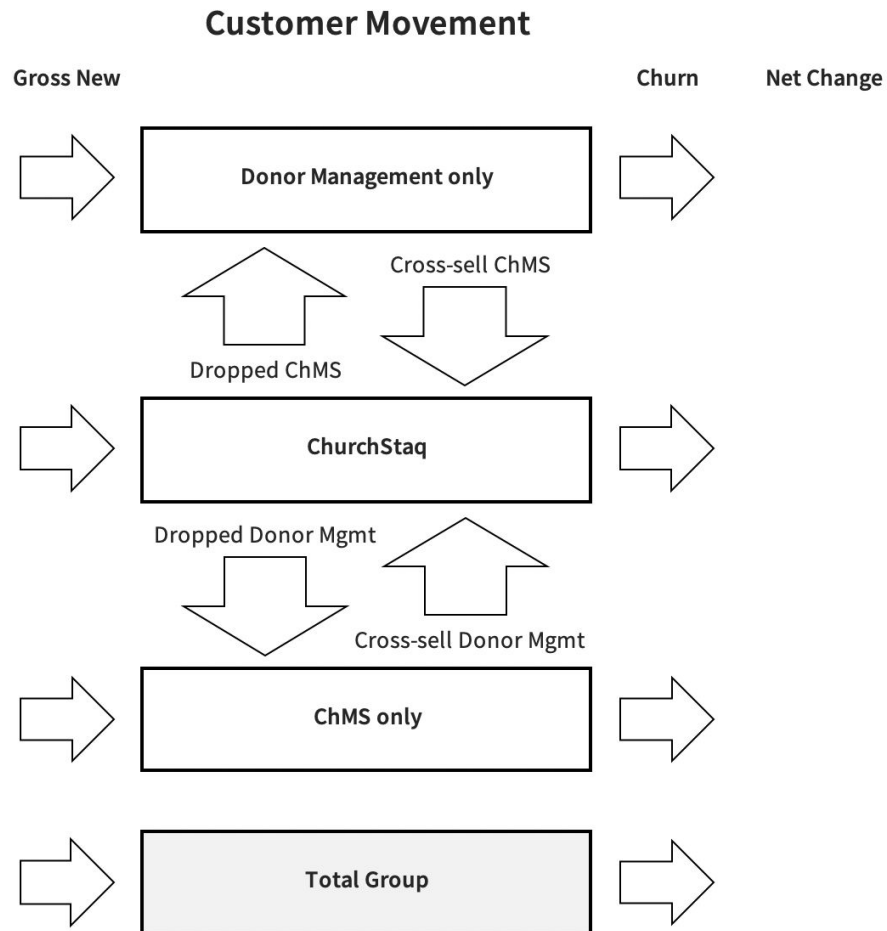
Better together

Jun Qtr

Sep Qtr
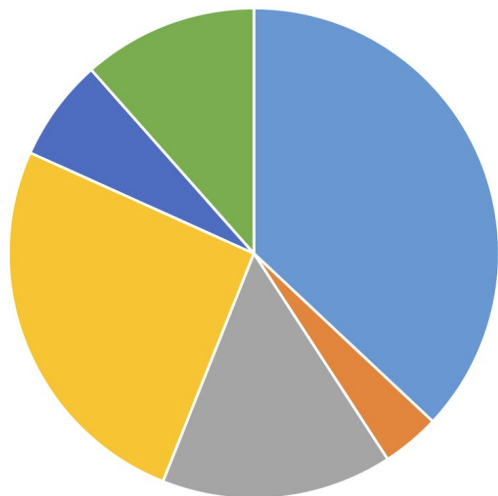
- Donor Management only
- Church Management only
- ChurchStaq bundle
- Cross-sell - DM to CCB backbook
- Cross-sell - ChMS to PPH backbook
- Backbook - Net upsells

COVID-19 impacts
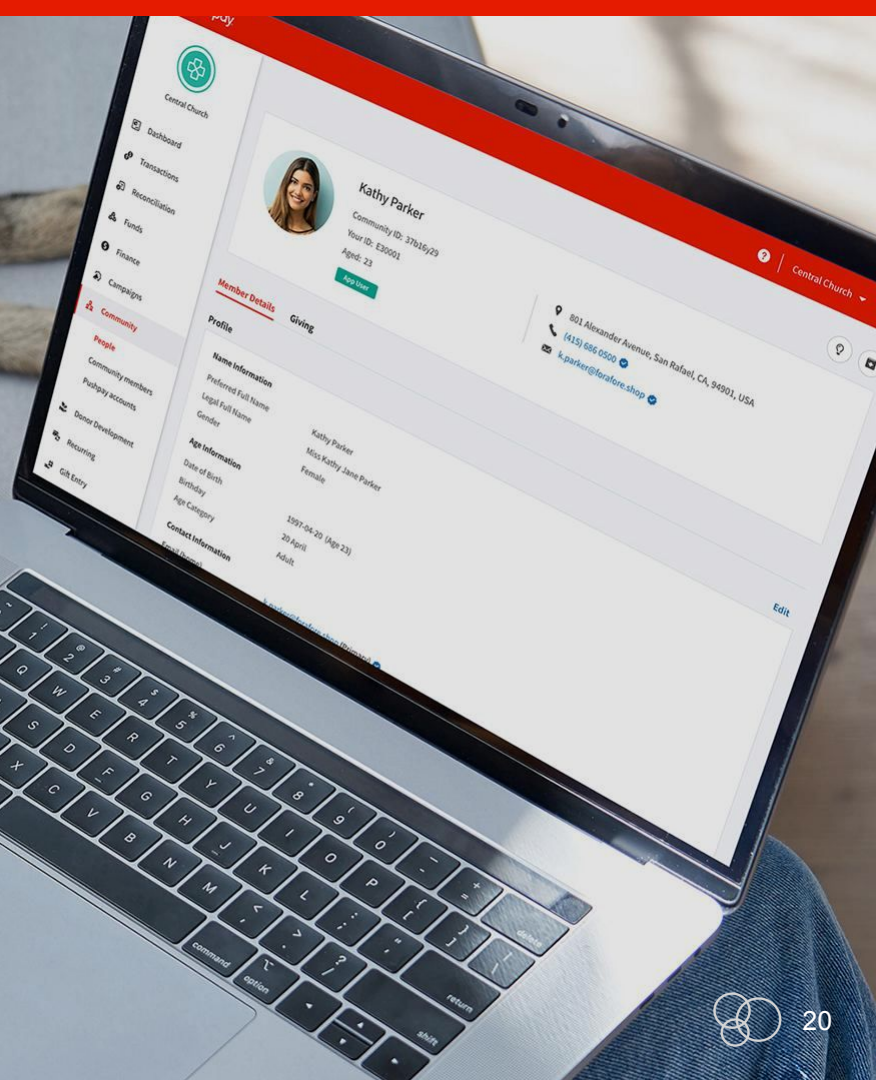
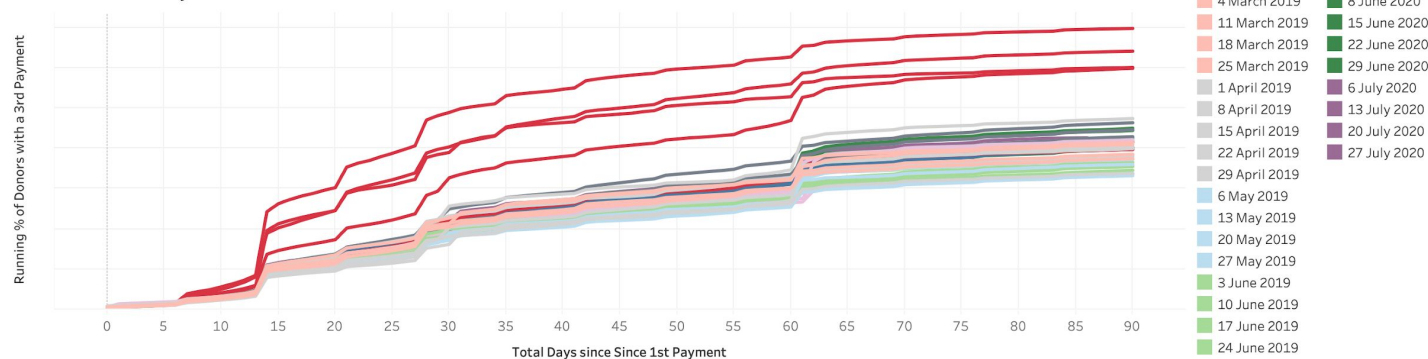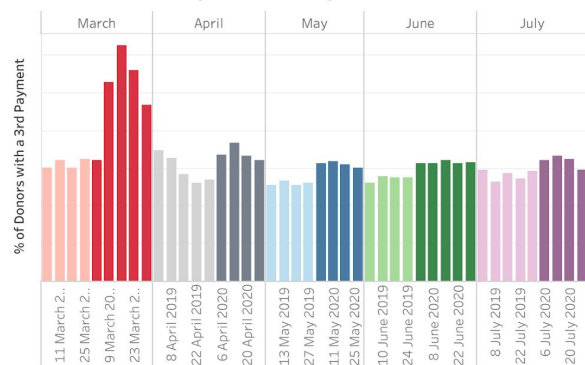# Share of Wallet

ChMS only

Joint

First time giver behaviour

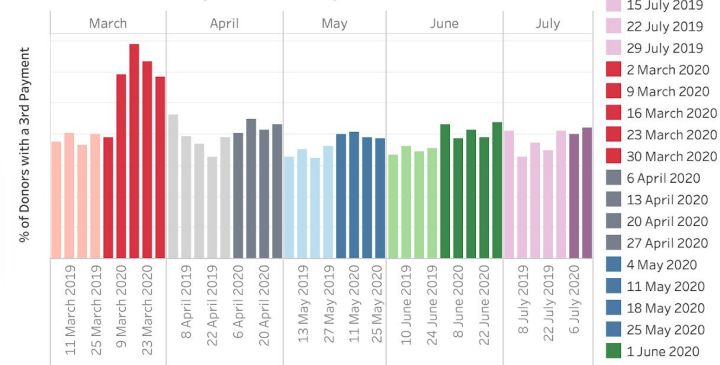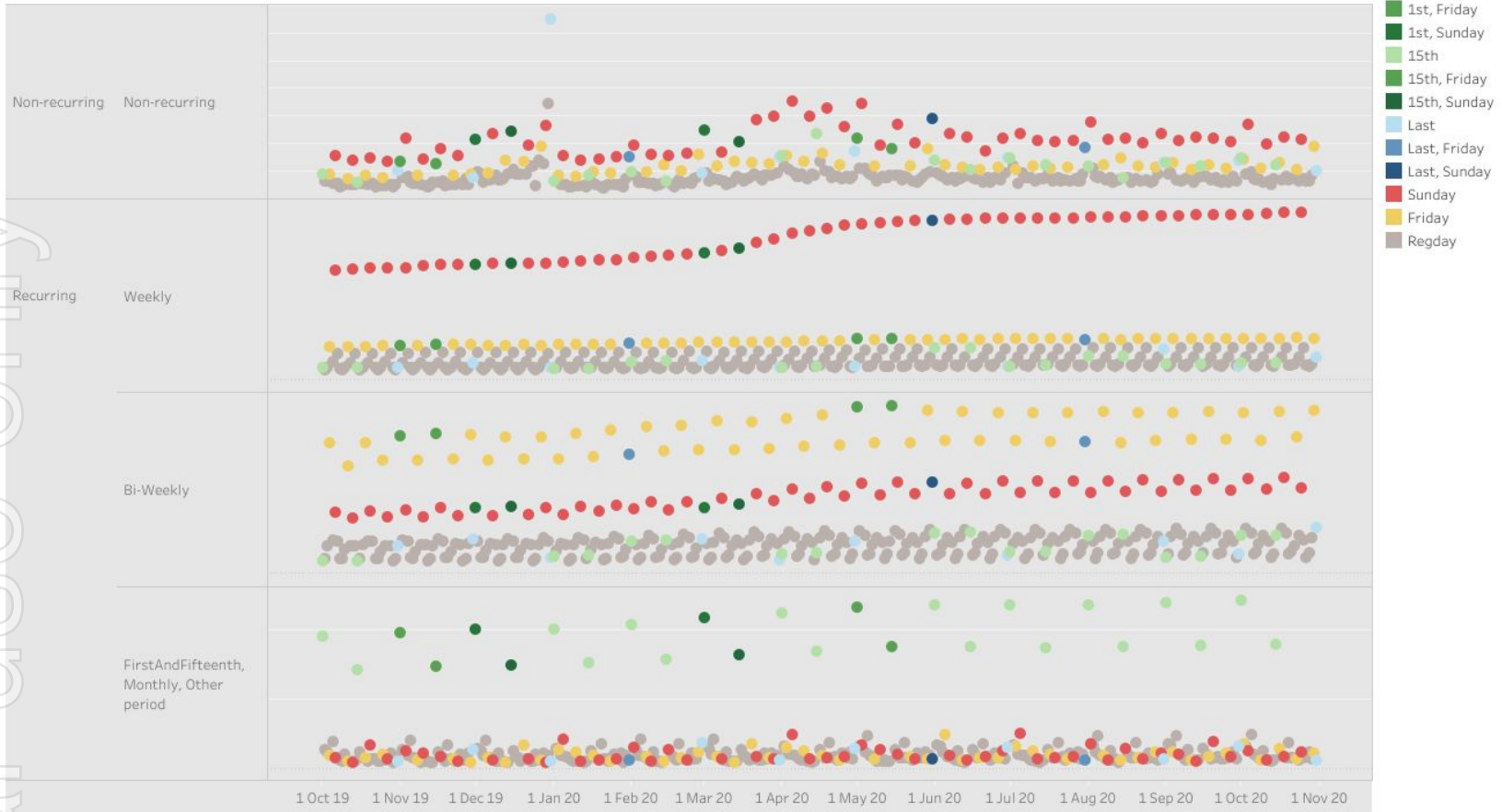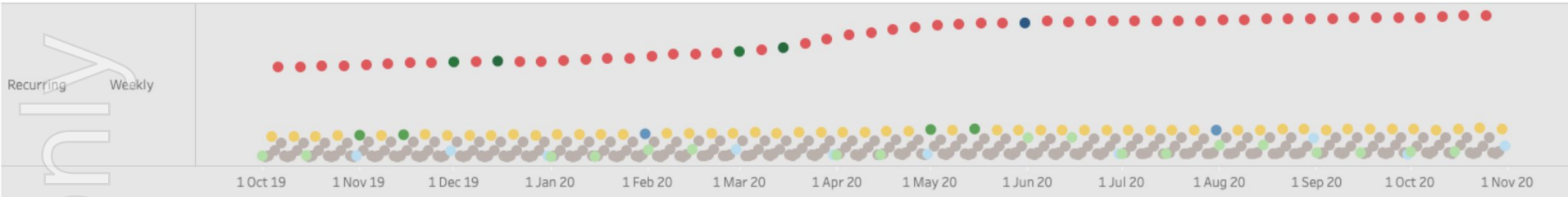% of Donors - 3rd Payment made over time

% Converted to 3rd Payment at 60 days

% Converted to 3rd Payment at 80 days

Volume by schedule

Key dates
- 1st
- 1st, Friday
- 1st, Sunday
- 15th
- 15th, Friday
- 15th, Sunday
- Last
- Last, Friday
- Last, Sunday
- Sunday
- Friday
- Regday

Non-recurring — Non-recurring

Recurring — Weekly

Bi-Weekly

FirstAndFifteenth, Monthly, Other period

1 Oct 19   1 Nov 19   1 Dec 19   1 Jan 20   1 Feb 20   1 Mar 20   1 Apr 20   1 May 20   1 Jun 20   1 Jul 20   1 Aug 20   1 Sep 20   1 Oct 20   1 Nov 20

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Recurring Giving - Sundays

- Recurring giving is most easily looked at by decomposing into the common frequencies
- Using Sunday as an example recurring lifted strongly throughout COVID-19
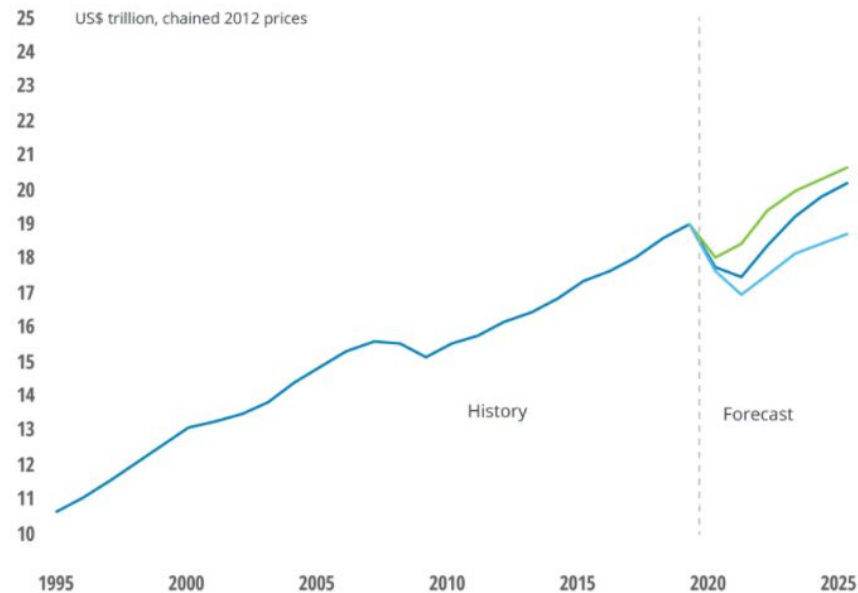
Forecast approach

Significant uncertainties in forecasts

FIGURE 2

Real GDP, US$ trillion

— Baseline — Relief bill to the rescue — No end in sight

US$ trillion, chained 2012 prices

25
24
23
22
21
20
19
18
17
16
15
14
13
12
11
10

History

Forecast

1995 2000 2005 2010 2015 2020 2025

Source: Deloitte analysis.

Outlook for key drivers

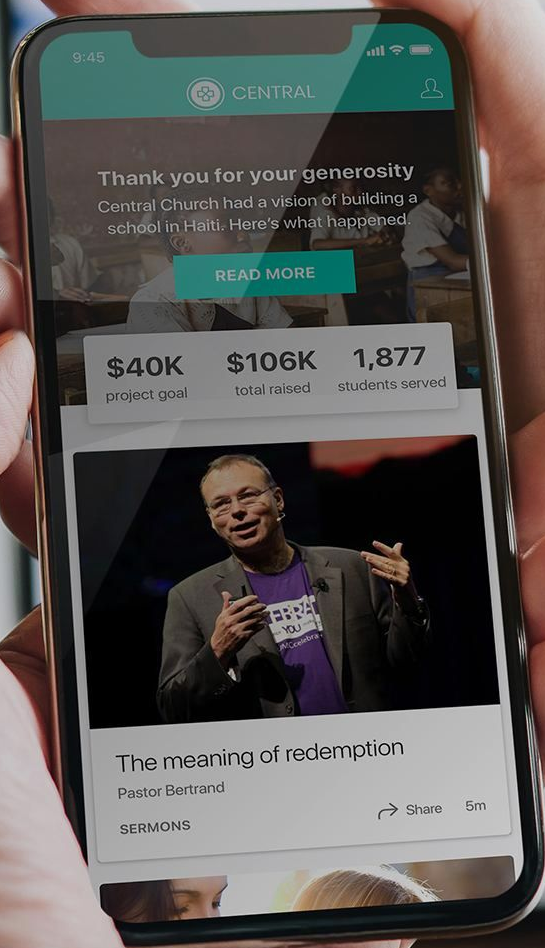| Overall giving market	Giving share of our Customers	Share of Wallet (ShoW) of our Customers

Timberlake Church

Redmond, Washington, US

Product update

Aaron Senneff,
Chief Technology Officer

Pushpay and Church Community Builder Launch Integrated Solutions to Help Drive Deeper Engagement in the Church

Today's announcement marks the first step toward delivering a deeply integrated, end-to-end church engagement solution, including a holistic ChMS, giving platform and app solution

NEWS PROVIDED BY
**Pushpay, Inc.** →
Apr 20, 2020, 09:00 ET

SHARE THIS ARTICLE

REDMOND, Wash. and COLORADO SPRINGS, Colo. and AUCKLAND, New Zealand, April 20, 2020 /PRNewswire/ -- Push-pay Holdings Limited (**NZSX:PPH**, **ASX:PPH**, 'Pushpay' or 'the Company') and Church Community Builder, who build church management systems, mobile apps, and giving solutions to help churches know, grow, and keep their people, today announce their first combined product launch. Together, they are delivering new integrated tools for admins and strengthening engagement paths for the Church.

At a time when churches are rapidly adopting a digital-first strategy, technology is playing a pivotal role in helping churches meet and connect with their congregations—any day of the week. In fact, a recent study from Barna Group indicates that 48 percent of pastors said the most growth their church has seen in this unprecedented time was in innovation around technology. Amidst this shift, many are seeking a way to have visibility into those that need help—or equally, who might have stopped engaging with the church. Investing in technology that provides a holistic view of the health of your congregation, and individual members, is critical.

In April 2020, our product launch emphasised that we were **Better Together**, with:

- Integrated sign-in

- Deep Linking between systems

- Transaction Import

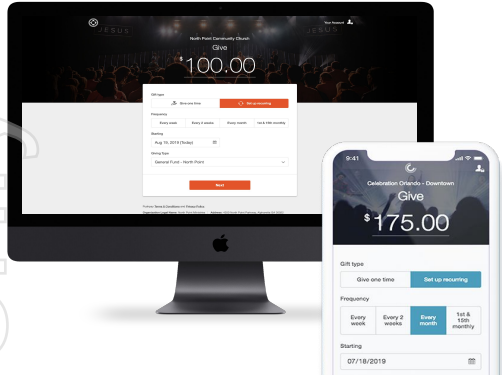- Donor Development Integration with Process Queues

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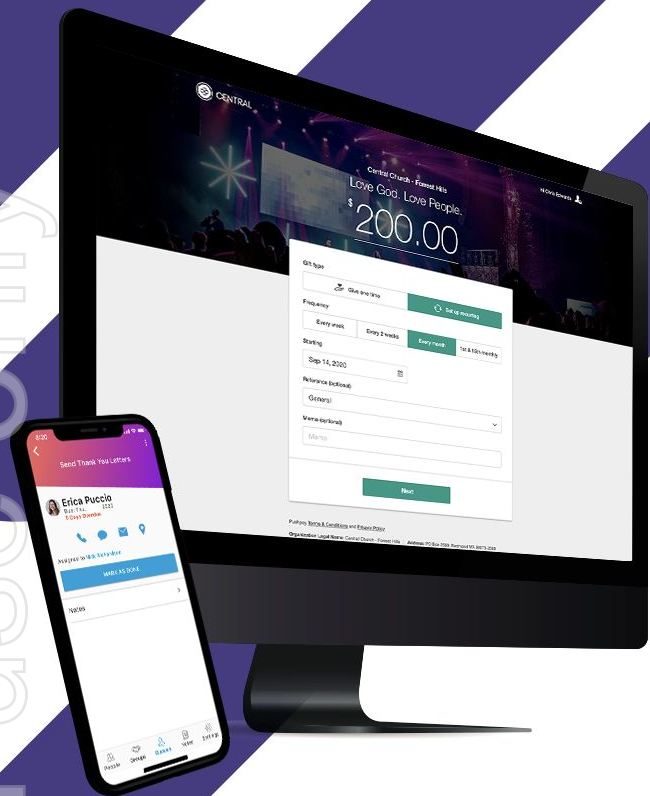
ChurchStaq™

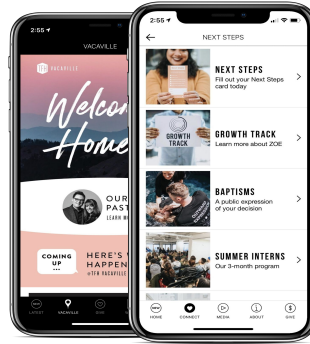The complete engagement software with the tools you need to nurture your people, encourage generosity and grow your ministry.
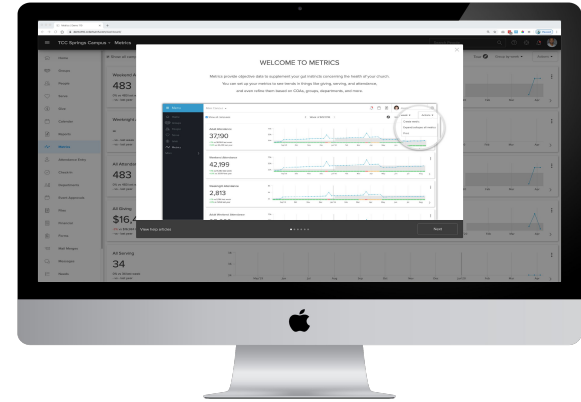
ChurchStaq

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

CHURCH COMMUNITY BUILDER

Connection Features

✓ Kids & volunteer pre-check
✓ Group participation
✓ Events
✓ Basic ChMS profiles

ChurchStaq™

Connection Features

✓ Kids & volunteer pre-check
✓ Group participation
✓ Events
✓ Community Member Link and Sync

Media & Communication

✓ Custom content & branding
✓ Dynamic Home Screen
✓ Sermons & Audio Player
✓ Rich Push Notifications

Generosity Features

✓ App giving
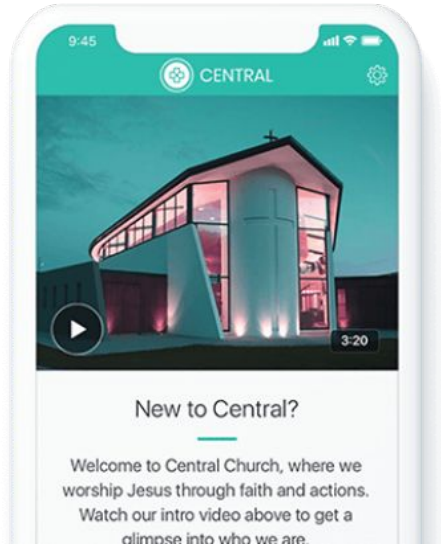✓ Transaction History

Pushpay®

Media & Communication

✓ Custom content & branding
✓ Dynamic Home Screen
✓ Sermons & Audio Player
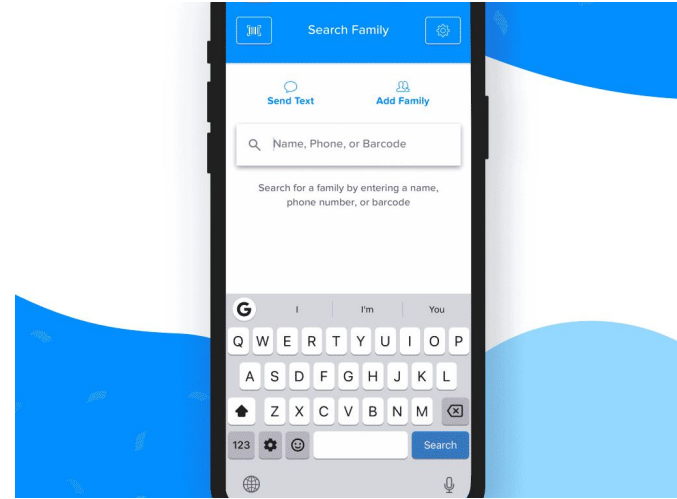✓ Rich Push Notifications

Generosity Features

✓ App giving
✓ Transaction History

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A differentiating combination of capabilities

The My Church App from Pushpay:

A leading custom app with rich, dynamic content

Unique capabilities from Church Community Builder:

Mobile Check In * Manage Profiles * Find and Join Groups * In App Messaging for Group Members

COVID-19 accelerated a digital transformation within the church that was already taking place.

New Life Church, Colorado Springs, Colorado, US

Digital tools play an important role in helping churches nurture their physical and online communities, and preventing people from falling through the cracks.

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The Future: Tools for nurturing a digital community

To Connect	Measure	and Engage
Communication tools	Analytics	Communication tools
Targeted App content	Insights and dashboards	Engagement tracking
Mobile tools for Members	360-degree views	Encourage generosity

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Product demo

Brian Byersdorf,
Enterprise Account Executive
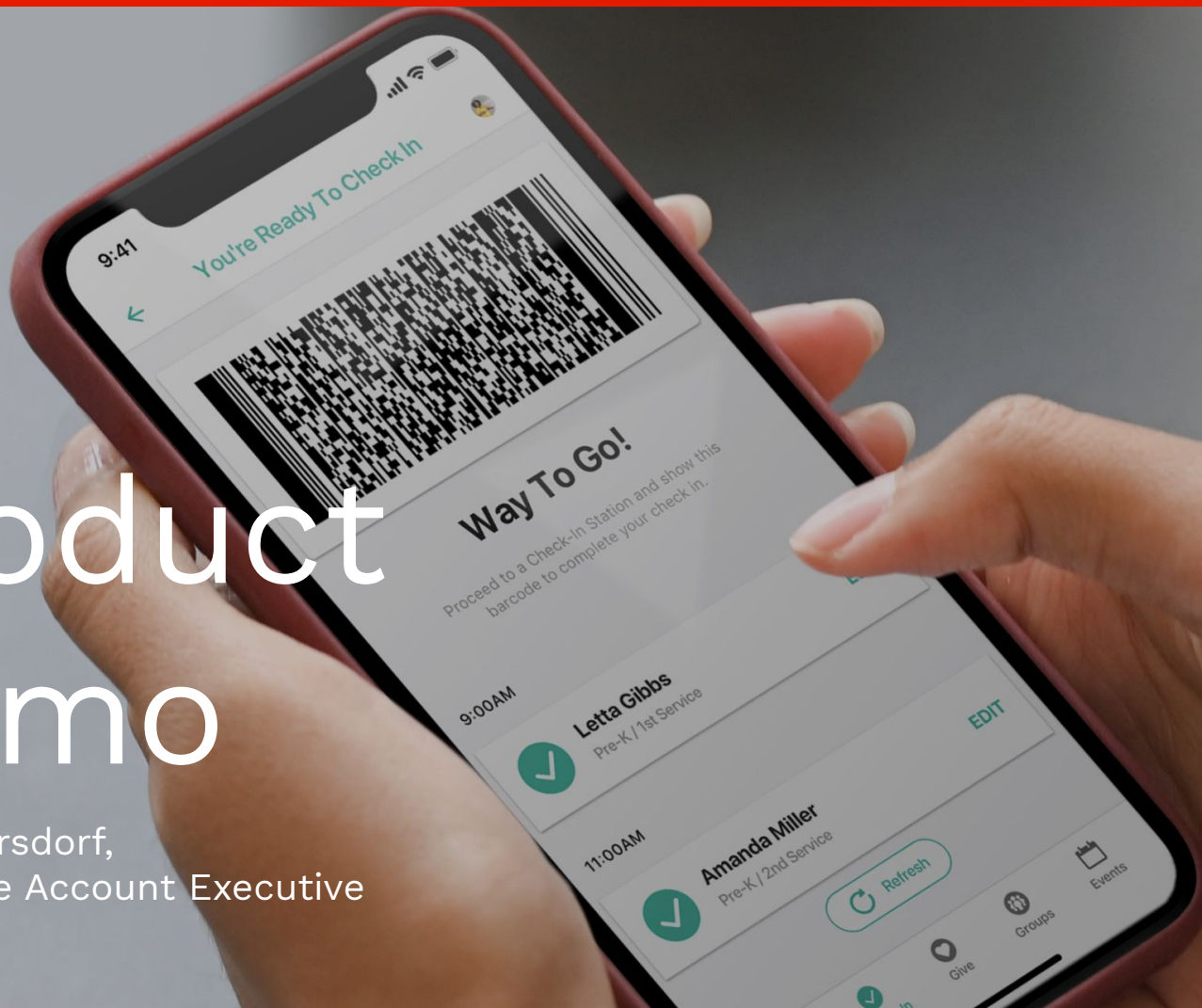
Example pre-Pushpay church setup

Deposits from multiple systems and multiple sources cause greater risk of mistake in accounting. Also, multiple security systems involved causes higher risk of security breaches.
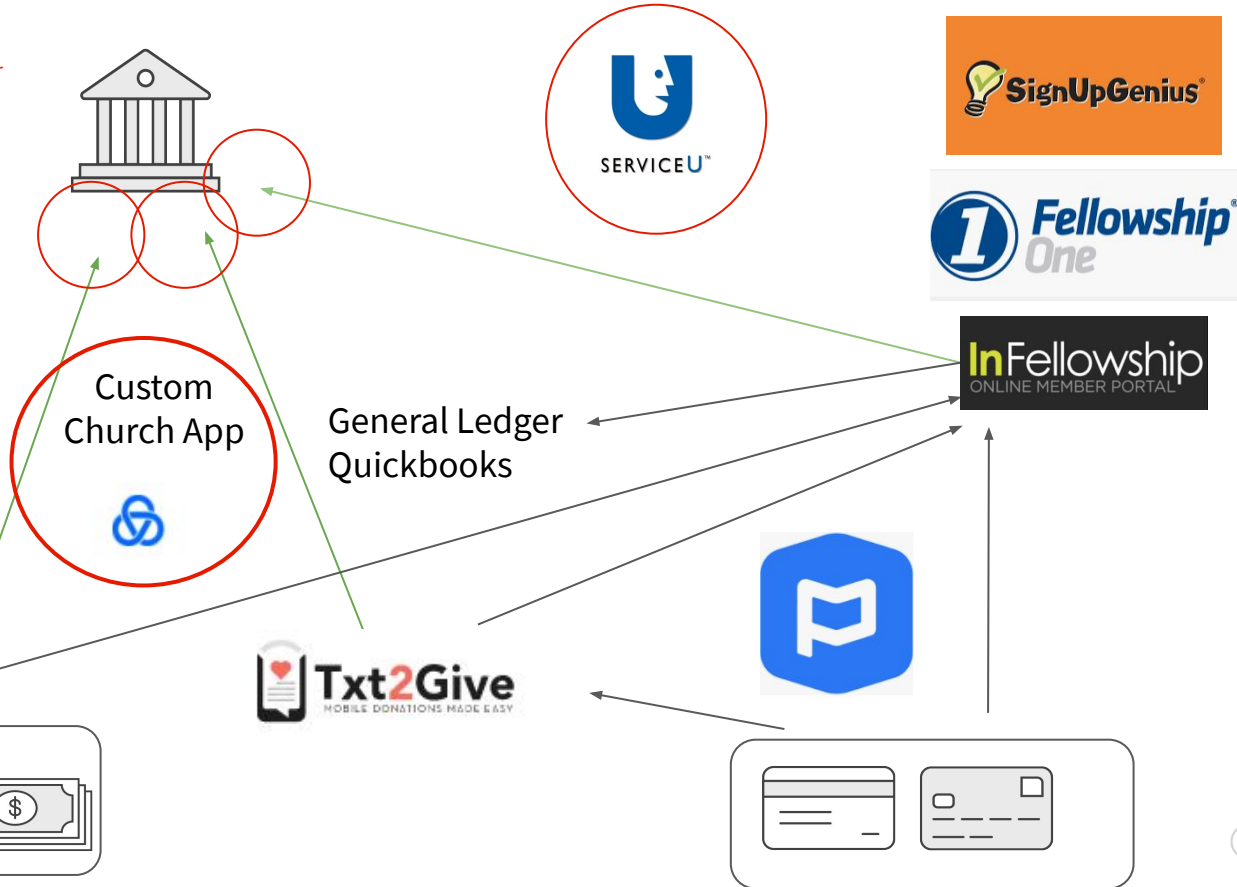
Where is your sensitive data stored?

Custom Church App

General Ledger Quickbooks

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Example Pushpay church setup

- Forms & payments
- Missions giving
- Building & event management
- Calendar
- Volunteer scheduling

Custom Church App

API auto connection with SK8

API auto connection with QBO

General Ledger Accounting System
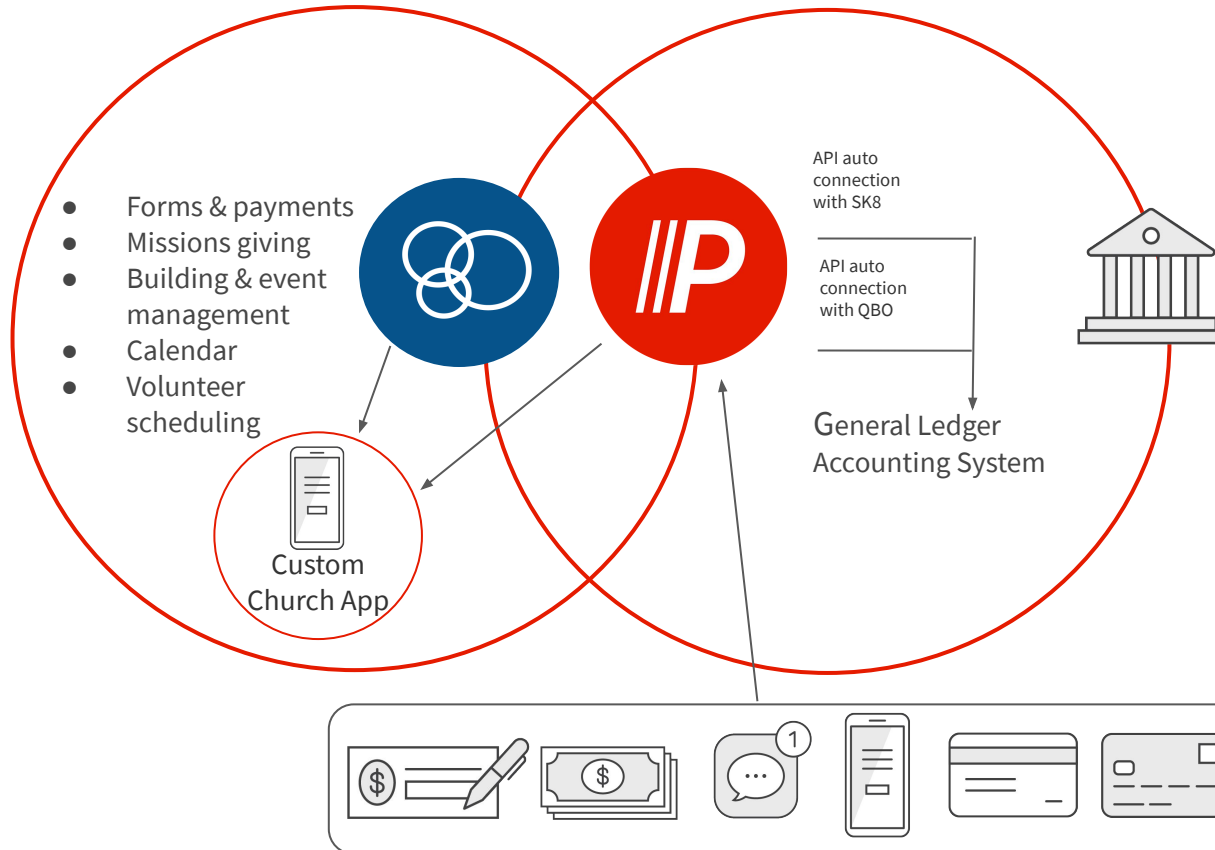
Q&A

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.

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.

Key metric definitions (continued)

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.

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).