

## Payright achieves a record year across all key metrics; positioned as the BNPL specialist for larger purchases

### Accelerating growth across key measures of performance

Buy now pay later (BNPL) provider, Payright Limited (ASX: PYR) ('Payright' or 'the Company'), is pleased to provide its full year results for the year ending 30 June 2021 (FY21).

#### FY21 Financial Highlights

- \$12.2 million in income, up 24% on FY20 (FY20: \$9.8 million); income growth accelerated in H2, with Q4 fee income up 14% on prior quarter
- Record Gross Merchandise Value (GMV), up 24% to \$85.0 million (FY20: \$68.3 million); annualised GMV run-rate in excess of \$100 million, with record quarterly GMV of \$26.1 million achieved in Q4 (up 134% on prior year)
- Total customers up 58%, reaching 53,489 (30 June 2020: 33,947)
- Total merchant stores up 41% to 3,416 (30 June 2020: 2,415)
- Gross Receivables grew to \$69.4 million, up 47% (30 June 2020: \$47.2 million)
- Average Transaction Value of \$3,558, reflective of Payright's position as a leader in higher value transactions

#### FY21 Operational Highlights

- Leading retailers joined Payright's growing merchant portfolio in Australia and New Zealand, including *Australian Outdoor Living, Stratco, Into Blinds, and Appliance Plus*
- Introduced *Bill Smoothing* product to allow consumers to spread the cost of utility bills, council rates, vehicle registration and insurance premiums up to the value of \$1,000
- Appointment of Gresham Partners to secure a warehouse facility
- New technology developments including platform upgrades, launch of the customer app (Android and iOS), which includes customer registration features, pre-approval applications and a frictionless checkout
- Post-year end, Payright entered into a partnership agreement with Mint Payments Limited ("Mint") to integrate Payright's BNPL solution into Mint's payments processing system, and signed flagship merchant partnerships with leading outdoor power equipment manufacturer Masport and online trade services platform, Service Seeking

Commenting on the financial performance, Payright's Co-Founder and Co-CEO, Myles Redward, said:

"We are very pleased with the progress achieved by Payright over FY21. The results show strong growth in our key measures of performance and highlights our ability to execute on the milestones and priorities we committed to at the IPO, despite the challenging trading conditions brought about by COVID-19. The growth achieved in merchant stores, completed transactions and customer numbers highlights the increasing demand for our product in high-value sectors, with fee income and GMV growing considerably over the reporting period."

Co-CEO Piers Redward added: "The investments we have made over the year in marketing and technology have strengthened our product offering, increased brand awareness and boosted customer numbers, allowing us to leverage our product into key verticals. We have an exciting pipeline in place to deliver strong growth in FY22 and beyond."

"Payright has a robust and responsible approach to credit assessment and lending practices to measure the affordability and appropriateness of the payment plan for our customers. With ongoing lockdowns and COVID impacted hardship continuing to

affect much of the Australian and New Zealand populations, Payright's flexible lending practices and fee structures have ensured our customers are better able to meet their ongoing repayment obligations."

### **Accelerating growth across key measures of performance**

FY21 proved to be a year of significant milestones for Payright, none more important than its successful listing on the ASX on 23 December 2020, which raised \$18.5 million to support the Company's growth initiatives. The rapid growth experienced throughout FY21 highlights the building momentum across the business, with record quarterly GMV of \$26.1 million and ~6,000 new customers added in the June quarter.

Income increased to \$12.2 million in FY21, up 24% (FY20: \$9.8 million). With fee income being deferred over the life of the loan, and increasing activity levels throughout the financial year, we can expect to see an acceleration of revenue growth into FY22, noting that only ~35% of the total expected fee income from lending activity in the financial year has been recognised in the current period, with the majority of the income from FY21 completed transactions expected to be recognised in future periods.

Expected credit losses reduced by \$1.4 million over the period as the Company continues to manage its credit and fraud risk exposure through robust underwriting and credit decisioning. Operating expenses in the period were up substantially, reflecting the continued investment in people, marketing, and technology required to position Payright for strong future growth. This resulted in an operating loss of \$12.7 million for FY21 (FY20: \$7.5 million).

The sourcing of an appropriate institutional warehouse funding facility by Gresham Partners is underway, and once secured, is expected to provide a major benefit to Payright in accelerating loan book growth while at the same time continuing to reduce its cost of funds. In the interim, Payright remains well funded, and as at 30 June 2021, maintained access to \$19.3 million of undrawn loan facilities through its existing Notes programme.

### **Significant progress made in carving out a sustainable niche in larger transactions in the growing BNPL market**

Throughout FY21, Payright has further cemented itself as an established participant in the Australian and New Zealand high-value buy now pay later sector, providing merchants across both geographies with in-store and online deferred payment solutions up to \$20,000 for their customer's considered purchases.

Payright's key verticals of retail, home improvement, health & beauty, photography, education and automotive, align with its flexible solutions designed for bigger ticket purchases, reporting an average transaction size of \$3,558. With the majority of BNPL players focused on the micro-ticket, sub-\$1,000 end of the market, and payable in 4 instalments, there is significant opportunity and limited competition across middle ticket transactions with flexible repayment periods, representing a key point-of difference for Payright in this rapidly growing sector.

Commenting on the Company's future outlook, Payright's Co-Founder and Co-CEO, Piers Redward, said:

"Payright has made significant progress over FY21. Accelerated growth throughout the financial year, together with growing brand awareness and the need for a BNPL offering for larger purchases, all provide strong tailwinds for the Company."

Co-CEO Myles Redward added: "Our position in the market as a high-value BNPL provider is becoming increasingly clear, and the work we have done over the past 12 months positions us well to capitalise on the growing opportunities. We're well ahead of where we thought we would be and our team are very proud of what we have achieved, and feel energised to continue rolling out market leading product initiatives to our growing network of customers and merchants."

-ENDS-

#### **Authorised by:**

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#### About Payright

Payright is an Australian payment plan provider developed for merchants to accelerate return-on-effort and for making things more affordable to consumers, by spreading the cost of purchases over time. Payright provides merchants a buy-now, pay later flexible payment option to offer their customers, intended for bigger ticket items that are more considered purchases rather than smaller impulse-driven buys.

Right when you need it

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