



# **Raiz Invest Limited (ASX:RZI)**

## **Market leading fintech with operations in Australia and Southeast Asia**

**HY22 RESULTS PRESENTATION | 24 February 2022**

Level 11, 2 Bulletin Place, Sydney NSW 2000 – Announcement authorised by George Lucas (Managing Director)

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# What is Raiz?

Mobile investment products to unlock financial freedom



**Micro investment platform** to enable financial freedom in Indonesia, Malaysia and Australia



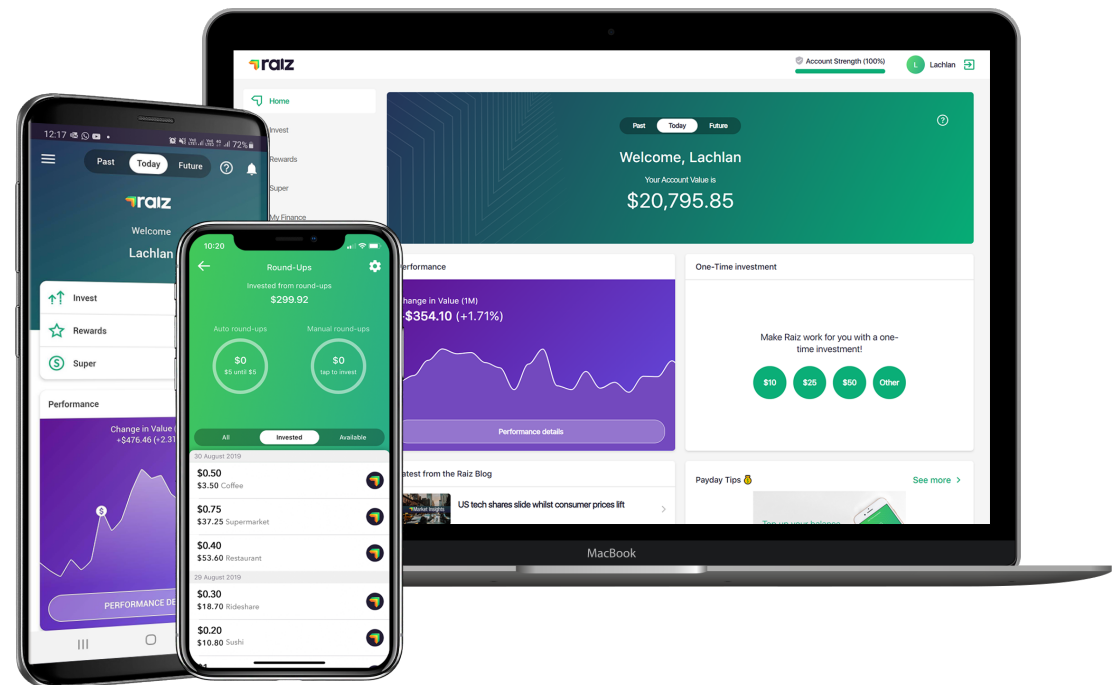
**Leading customer service and user experience** for attracting and retaining customers



**Low customer acquisition cost** to help fast-track growth

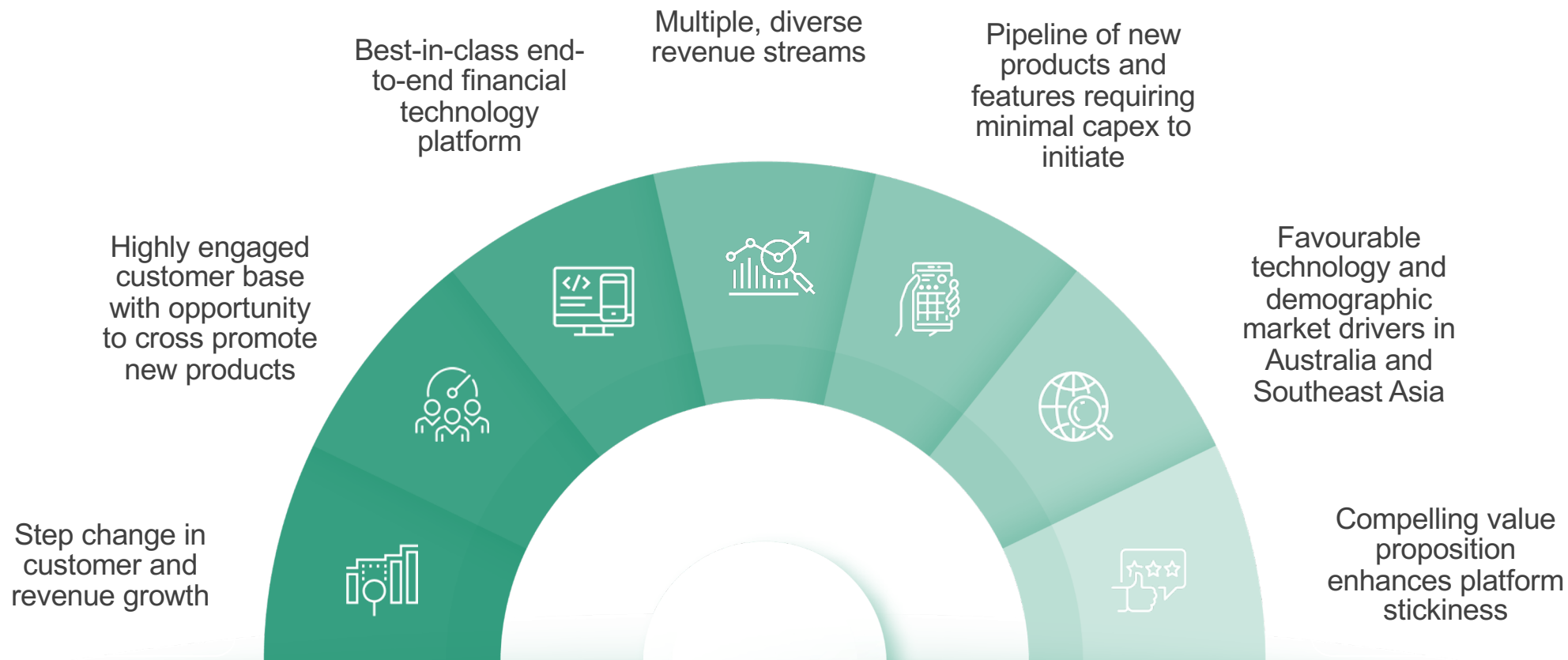


**Growing rapidly in Southeast Asia** Indonesia, Malaysia & Thailand



# Investment Highlights

Award-winning investment platform, delivering on growth and innovation



# Corporate and Product Timeline

Continuous delivery of strategy



## Corporate History

<b>Mar 15:</b> JV Acorns Grow Inc.	<b>Feb 16:</b> Launch Australia	<b>Jun 17:</b> Start planning Indonesia	<b>Apr 18:</b> Change name to Raiz Invest	<b>Apr 19:</b> Launch Indonesia	<b>Jun 20:</b> Launch Malaysia	<b>Apr 21:</b> Fee increase to \$3.50
			<b>Jun 18:</b> ASX listing – raising \$15m	<b>May 19:</b> JV with PNB/Jewel	<b>Jun 20:</b> Aust business net cashflow positive	<b>Apr 21:</b> \$10m Capital raise & Superstate Ann.
			<b>Dec 18:</b> Received Indonesia licence	<b>Nov 19:</b> Fee increase to \$2.50		<b>Jun 21:</b> Group net cashflow positive
				<b>Nov 19:</b> \$6m Capital raise		<b>Jul 21:</b> Planning Thailand

## Product Development in line with customer feedback in Australia

<b>Feb 16:</b> App launch in Australia	<b>May 17:</b> MyFinance launched	<b>Jul 18:</b> Raiz Super launched	<b>Mar 20:</b> Offsetters launched	<b>Jan 21:</b> Custom Portfolio	<b>Jan 22:</b> Raiz Rewards refresh
<b>Nov 16:</b> Raiz Rewards launched	<b>Jun 17:</b> (ESG) Emerald Portfolio	<b>Sept 18:</b> Raiz Chatbot launched	<b>May 20:</b> Sapphire Bitcoin portfolio released	<b>Mar 21:</b> Launched Raiz Home Ownership & SMSF onboarding	
	<b>Nov 17:</b> Raiz Kids launched				








<b>FUM – Year end (Aust only)</b>	-	\$43.28m	\$148.17m	\$254.18m	\$444.70m	\$605.59m	\$1.03bn	\$1.01bn (Jan 22)
<b>Active Customer - Year end</b>	-	65,278	133,896	175,345	211,657	343,573	594,992	608,107 (Jan 22)



# Expansions to Date – 31 December 2021

Rapid scaling in its target markets with new territories imminent



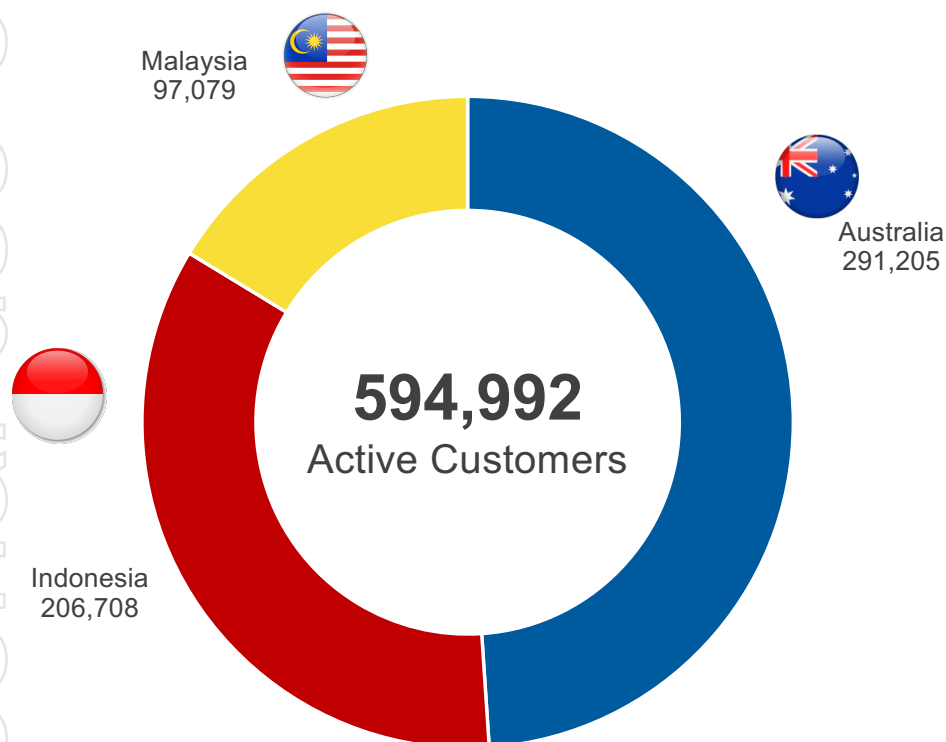
		Total Population	Customer Sign Ups	Investment Accounts	Active Customers
Australia		c.26m	1,180,879	567,069	291,205
Indonesia		c.277m	820,625	469,822	206,708
Malaysia		c.33m	457,869	168,337	97,079
Thailand		c.70m	Targeting 1H'22 launch of Beta Product		
Vietnam		c.98m	Research into this market has begun and qualified for NSW Government grant		
<b>Total</b>		<b>c.504m</b>	<b>2,459,373</b>	<b>1,205,228</b>	<b>594,992</b>

# Customer Growth

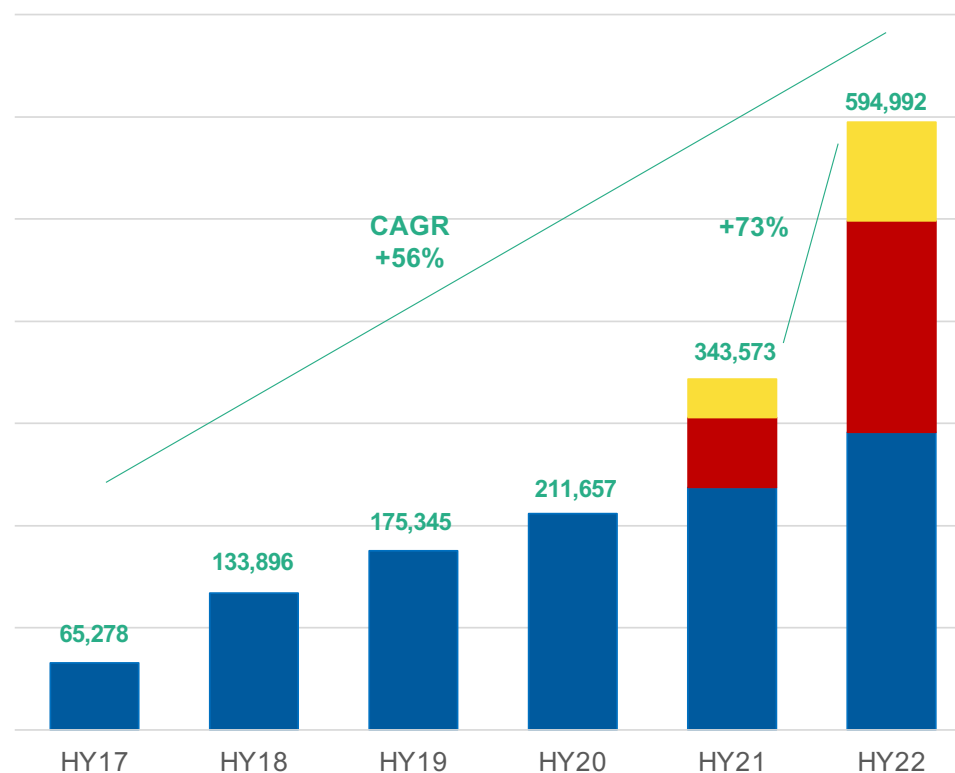
Step change in customer growth achieved through Australia acceleration and Southeast Asia expansion



## Active Customer Footprint



## Active Customer Growth





# 1. Raiz Overview and HY22 Highlights

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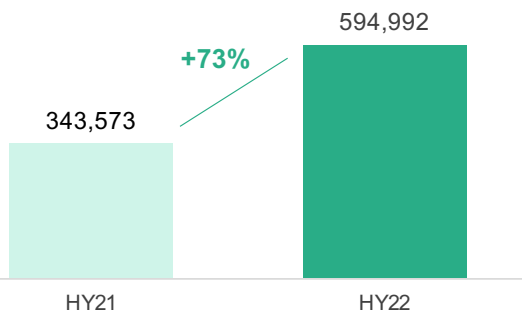


# Key Performance Metrics

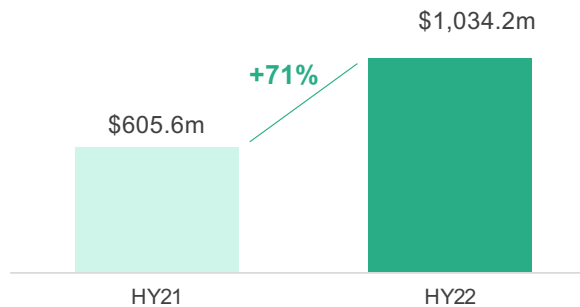
Continued outperformance across the dashboard



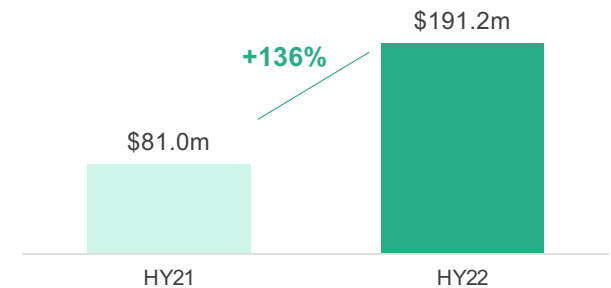
Active Customers<sup>1</sup>



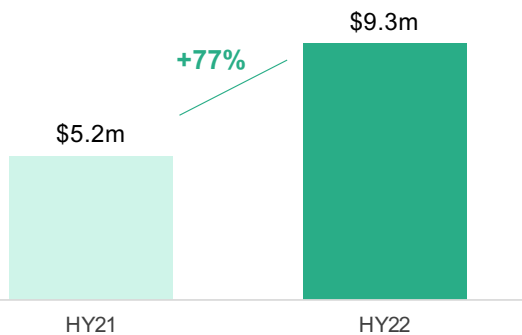
Funds Under Management  
(Australia)<sup>1</sup>



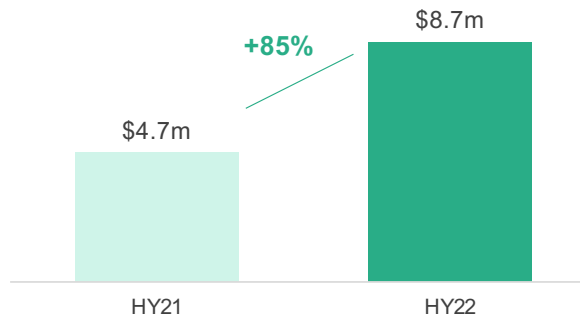
Raiz Super Invested<sup>1</sup>



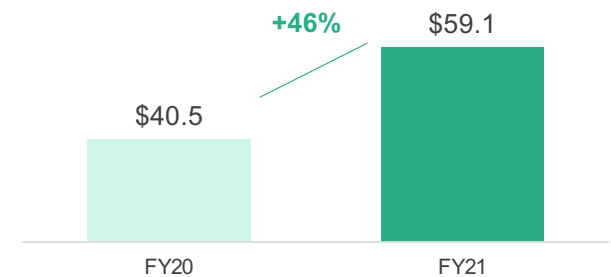
Group Revenue



Micro Investing Platform Revenue



Revenue Per Customer  
(Run Rate in Australia)<sup>1</sup>



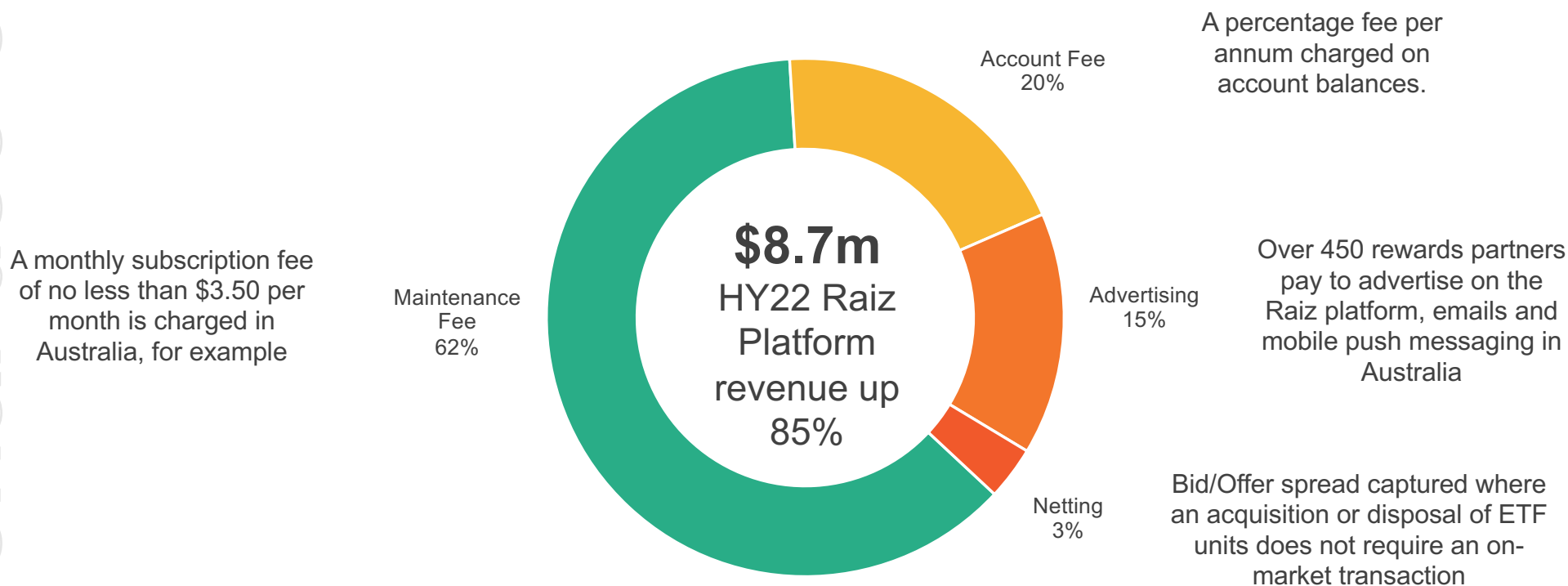
1. Increase on Previous Corresponding Period at 31 Dec ('PCP')

# Revenue Streams

Raiz delivered 85% growth in micro investment platform revenue on PCP



Revenue blend by stream



# Corporate Highlights

Successfully executing against the growth strategy



**Continued customer, FUM and revenue growth:** Overcoming COVID related headwinds in operating territories to continue growth with disciplined focus on costs



**Growth with low customer acquisition cost (CAC):** Acquiring active financial services customers online at a CAC of AU\$12.28 per customer across the Group



**Higher margin product penetration:** Superannuation, SMSF, Sapphire and Custom portfolio products all gaining traction



**Southeast Asia expansion:** Accelerated uptake in Indonesia and Malaysia, preparation completed for Thailand launch, and incorporation in Vietnam has started



**Right-size organisation:** Continued strengthening of board & management structure to drive the next leg of growth



**Industry recognition:** Recognised by Deloitte in Top 50 fast growing Australian tech companies for 2020 and Top 500 for Asia Pacific and winner of Best FinTech Australia Superannuation Service 2021 and Best Wealth Management Platform 2021



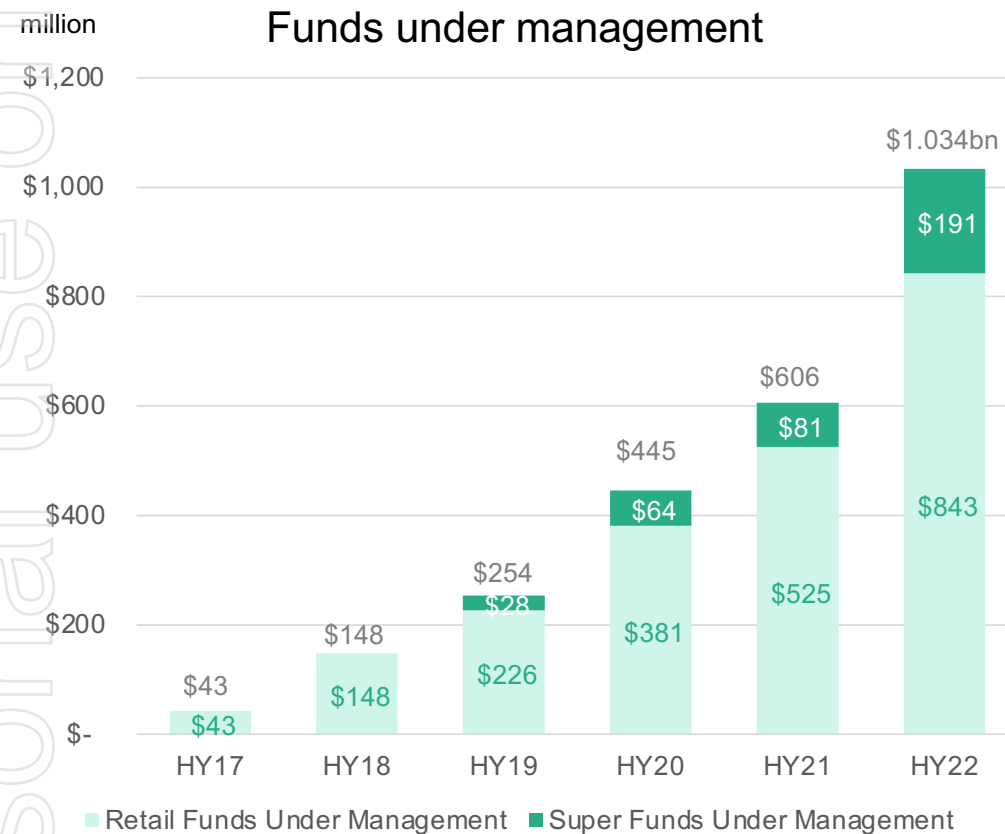
## 2. Strategy & Execution Overview

ASX:RZI

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# Raiz Invest Australia

Core investment platforms resilient over the past 5 years exhibiting continued growth



FUM increased to \$1,034m at end of HY22 (up 70.8% on HY21)



Continued growth in Raiz Super to \$191m at end of HY22 (up 136.0% on HY21)



63% of FUM is comprised of account balances of greater than \$10,000



Raiz Super is marketed to existing database producing a very low CAC



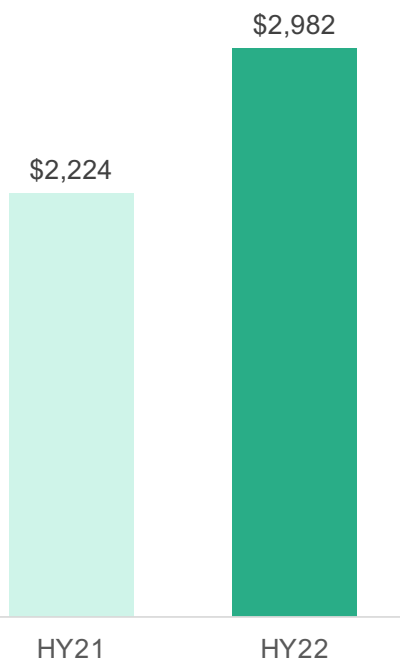
Additional product offerings underpinning continued revenue growth in FY22

# Key Indicators Australia

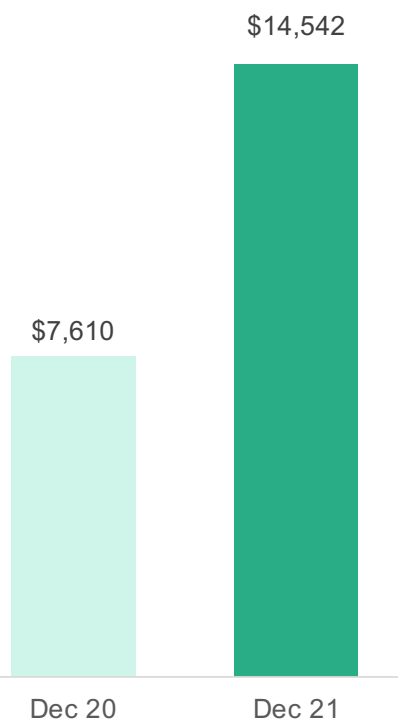
Momentum continues strongly in HY22



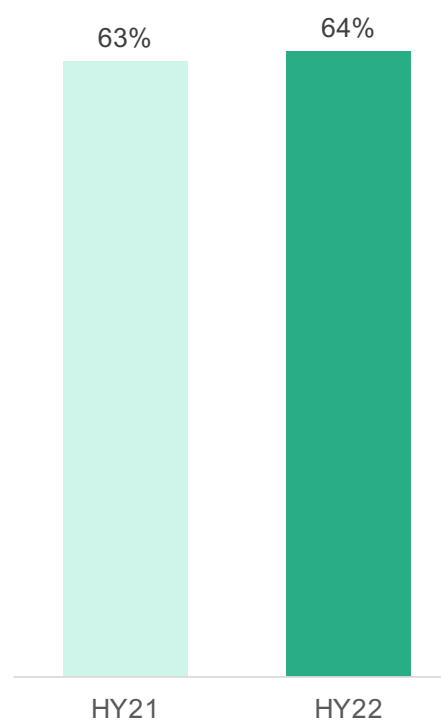
Average Balance  
At 31 Dec



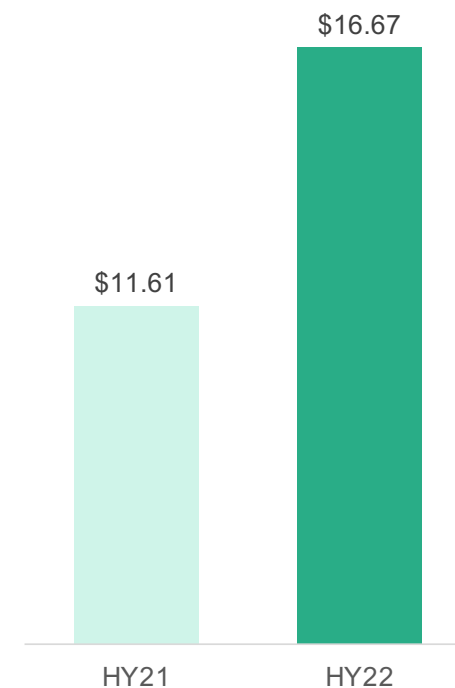
Recurring Revenue\*  
Annual Run Rate (\$'000)



Gross Margin (%)  
Raiz Micro Investing Platform



Average CAC



\* Recurring Revenue includes Account Fee/Transaction Fee and Maintenance Fee



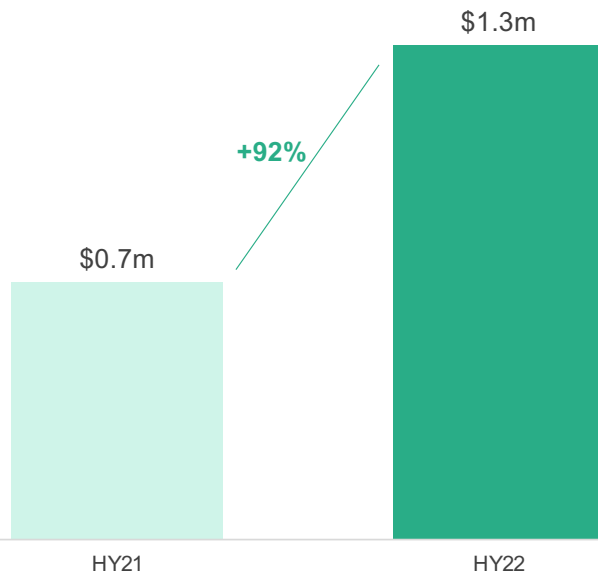
# Raiz Rewards

Brands attracts members, members attract brands and Raiz Rewards attract loyalty



Raiz Rewards is a loyalty program allowing users to fast-track their Raiz accounts & Super balances through purchases made with partnership brands

Raiz Rewards advertising revenue



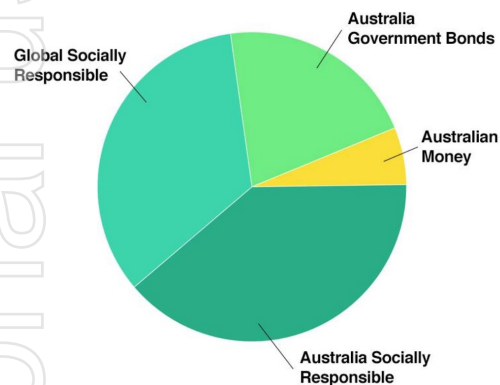
## Select Rewards Partners



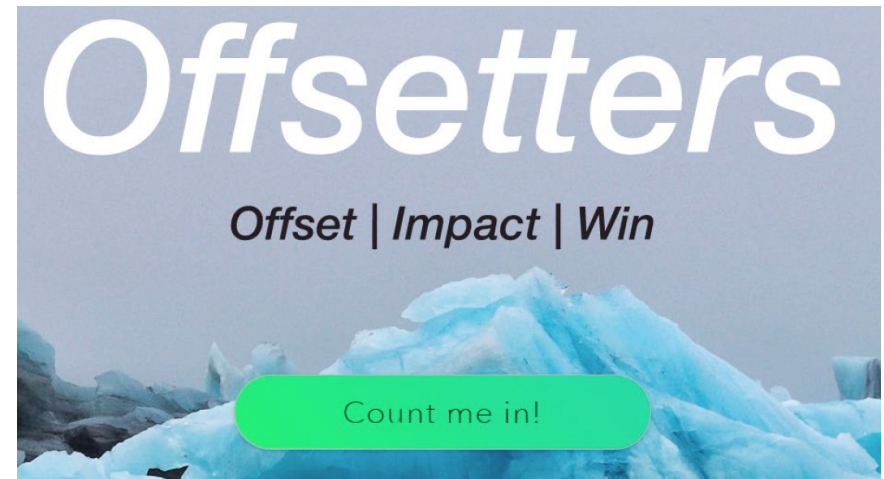
## We listen to our customers – ESG

- We have developed our products in line with customer requests – an example being ESG driven engagement

### Emerald Portfolio



### Plant a tree in December



# Key Focus Areas

Continued focus on growing the Australian business and executing the Southeast Asia growth strategy



Grow the business in all geographies



Maintain disciplined focus on costs



Focus on low cost of customer acquisition to drive new accounts



Increasing territories, customers and products to maximise growth



Increase 'Lifetime Value of Customers' through new products and services



Prepare launch of Thailand and Vietnam businesses



Utilise best-in-class infrastructure to launch customer-focused products



## 3. Financial Overview

ASX:RZI



# Profit & Loss

To be read in conjunction with the Financial Report for the half-year ended 31 December 2021



\$000	HY21	HY22	% vs HY21
Micro Investing Platform	4,692	8,660	85%
Other Financial Services	529	604	14%
<b>Group Revenue</b>	<b>5,221</b>	<b>9,264</b>	<b>77%</b>
Other Income	472	481	2%
Employee benefits expense	(1,936)	(3,449)	78%
Sales and administrative expense	(1,918)	(3,339)	74%
Professional fees	(539)	(1,234)	129%
Marketing expenses	(1,414)	(2,611)	85%
Other expenses	(1,433)	(1,515)	6%
<b>EBITDA (Loss)</b>	<b>(1,547)</b>	<b>(2,403)</b>	<b>55%</b>
Finance cost	(22)	(40)	82%
Depreciation and amortisation expense	(1,323)	(1,505)	14%
<b>Loss before income tax</b>	<b>(2,892)</b>	<b>(3,948)</b>	<b>37%</b>
Tax (expense)/benefit	(11)	(74)	573%
<b>Loss After income tax</b>	<b>(2,903)</b>	<b>(4,022)</b>	<b>39%</b>
Exchange differences on translation of foreign operations	(148)	(41)	(72%)
Total comprehensive income (loss) for the year	(3,051)	(4,063)	33%
<b>Loss attributable to Owners of the parent entity</b>	<b>(2,247)</b>	<b>(3,243)</b>	<b>44%</b>

- Group revenue up 77% year on Year (YOY) to \$9.3m
- Micro Investing Platform revenue up 85% YOY driven by customer growth, premium product offering (Sapphire and Custom Portfolios) and fee increase effective 1 April 2021
- Growing operations in Australia (including acquisition of Superstate) and Southeast Asia contributing to 74% increase in Sales & Administrative expense
- Marketing spending up 85%, delivering 73% growth in global active customers
- Higher gross margin at 64% for Raiz Micro Investing Platform In Australia in HY22

# Statement of Cash Flows

To be read in conjunction with the Financial Report for the half-year ended 31 December 2021



\$000	HY22	HY21
Receipts from customers	9,977	5,555
Payments to suppliers and employees	(9,688)	(6,903)
Government grants and tax incentives	-	999
Finance cost paid	(38)	(20)
<b>Net Operating Activities</b>	<b>251</b>	<b>(369)</b>
Payment for fixed assets	(68)	(86)
Payment for intangible assets	(1,398)	(886)
<b>Net Investing Activities</b>	<b>(1,466)</b>	<b>(972)</b>
Proceeds from capital raising	2,000	-
Proceeds from changes in ownership interests in subsidiaries	642	-
Share issue costs	(18)	-
Repayment of borrowing from related parties	(8)	(38)
Principal payment for leases	(276)	(270)
<b>Net Financing Activities</b>	<b>2,340</b>	<b>(308)</b>
Net increase/(decrease) in cash and cash equivalents	1,125	(1,649)
Cash and cash equivalents at the beginning of the Period	19,199	12,900
Effect of movements in exchange rates on cash held	40	(126)
<b>Cash &amp; cash equivalents at year end</b>	<b>20,364</b>	<b>11,125</b>

- Net cash inflow from operating activities for HY22 was \$251k. December quarter was the third consecutive quarter with positive operating cashflow.
- Australian business continues to be operating cash flow positive
- In July 2021, our joint venture partner, Permodalan Nasional Berhad (PNB), contributed \$642k capital to our Malaysian operations.
- In December 2021, Seven West Media (ASX: SWM) took a strategic 6.6% stake in the Company for \$10 million (including \$8 million for advertising credit and \$2 million cash).
- As of 31 December 2021, Raiz had a strong balance sheet with cash, cash equivalents and term deposits totalling \$20.5 million, up 81% from HY21
- Working capital of \$20 million after deducting regulatory capital
- \$1 million government grants received in January 2022



# Statement of Financial Position

To be read in conjunction with the Financial Report for the half-year ended 31 December 2021



\$000	HY22	FY21
<b>Assets</b>		
Cash and cash equivalents	20,364	19,199
Trade and other receivables	3,701	1,737
Other financial assets	748	547
Other assets	8,662	298
<b>Total Current Assets</b>	<b>33,475</b>	<b>21,781</b>
Property, plant and equipment	145	96
Right-of-use assets	1,217	521
Deferred tax assets	652	519
Intangible assets	27,498	19,121
<b>Total Non-Current Assets</b>	<b>29,512</b>	<b>20,257</b>
<b>Total Assets</b>	<b>62,987</b>	<b>42,038</b>
<b>Liabilities</b>		
Trade and other payables	6,955	2,862
Current lease liabilities	446	233
Provisions	566	403
<b>Total Current Liabilities</b>	<b>7,967</b>	<b>3,498</b>
Trade and other payables	199	199
Deferred tax liabilities	952	746
Non-current lease liabilities	786	273
Provisions	116	80
<b>Total Non-Current Liabilities</b>	<b>2,053</b>	<b>1,298</b>
<b>Total Liabilities</b>	<b>10,020</b>	<b>4,796</b>
<b>Total Equity</b>	<b>52,967</b>	<b>37,242</b>

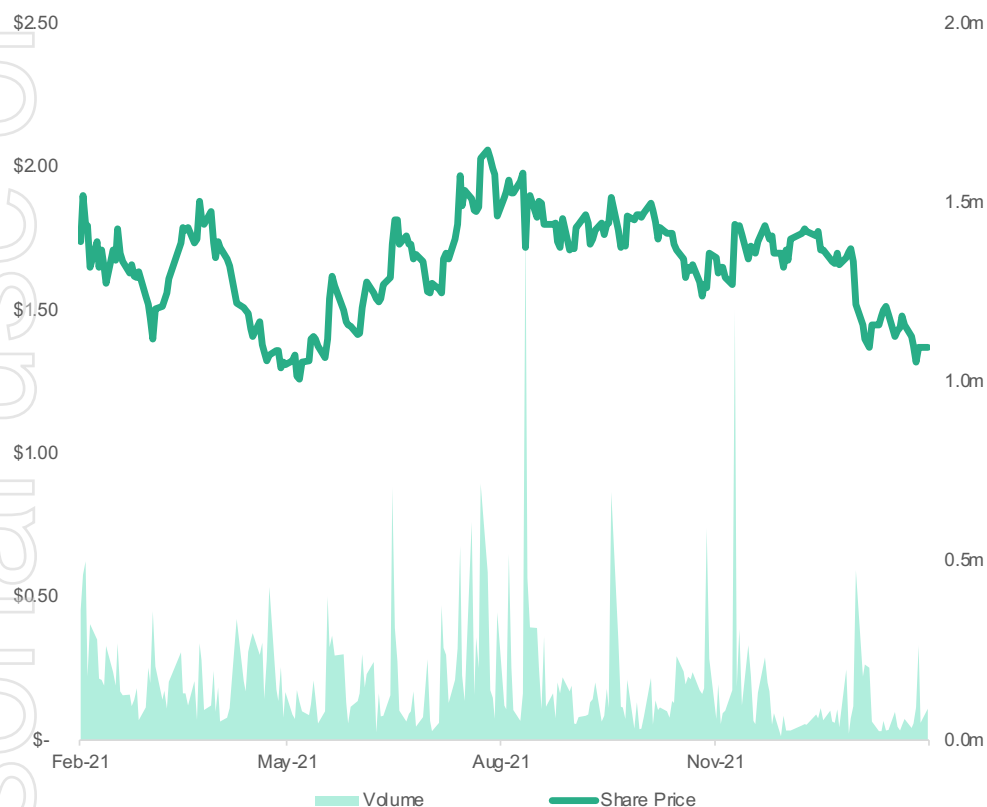
- As of 31 Dec 2021, Raiz had a strong balance sheet with cash, cash equivalents and term deposits totalling \$20.5 million
- Raiz is currently holding \$5.5 million (maximum requirement of around \$5.7 million) in regulatory capital
- Net assets of \$53.0 million, includes intangible assets at \$27.5 million and cash, cash equivalents and term deposits at \$20.5 million
- Key assumptions used in Value-In-Use calculation to justify Intangible assets include terminal value growth rates at 9% p.a. and discount rate at 12% p.a.
- Unencumbered balance sheet

# Raiz Invest – Market Information

Share price, capital structure and significant shareholders



Share Price & Volume



## Capital Structure

Shares on Issue*	93.4m
Share Price*	\$1.37
12 month Range*	\$2.06 - \$1.26
Market Cap*	\$128.0m

**Net Cash & term deposits 31 December 2021** \$20.5m

Top Shareholders*		Shares	(%)
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6.7m	7.2%
2	SEVEN WEST MEDIA INVESTMENTS PTY LTD	6.2m	6.6%
3	CITICORP NOMINEES PTY LIMITED	5.3m	5.6%
4	ACORNS GROW INCORPORATED	5.2m	5.6%
5	GEORGE LUCAS & RELATED ENTITIES	4.5m	4.8%
<b>Top 20</b>		<b>52.1m</b>	<b>55.7%</b>
<b>Other Investors</b>		<b>41.4m</b>	<b>44.3%</b>
<b>Total</b>		<b>93.4m</b>	<b>100.0%</b>

\* As at 21 February 2022



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