



ASX Announcement

26 August 2020

Whispir Limited
(ASX: WSP)

Whispir exceeds Prospectus forecast, strong momentum after record new customer growth

Whispir Limited (ASX: WSP, Whispir or Company) has released its full-year results for the 12 months ended 30 June 2020 (FY20), a year where the Company met or outperformed its Prospectus forecast despite unprecedented operating conditions.

FY20 Highlights:

- Annualised Recurring Revenue (**ARR**) up 34% year on year (**YOY**) (from \$31.5m at end of FY19 to \$42.2m at end of FY20), exceeding the Prospectus forecast of \$42.0m
- Revenue increased 25.5% YOY to \$39.1m, ahead of Prospectus forecast of \$37.8m
- Net new customers up by more than 120 in FY20 to 630 total customers at year-end, ahead of Prospectus forecast of 621
- Gross revenue and customer churn at 2.4% and 7.0% respectively, better than Prospectus forecast
- Total operating expenditure of \$31.7m, better than Prospectus forecast of \$32.9m
- EBITDA of \$(7.3m), significantly better than Prospectus forecast of \$(9.4m)
- Strong balance sheet with net cash balance of \$15.2m

Commenting on the Company's FY20 outperformance, Whispir CEO Jeromy Wells said: "Whispir's strong performance in its first full year as a listed company has ensured we have achieved or exceeded all key Prospectus metrics.

"Increased platform usage from our existing customer base was the key revenue growth driver in FY20, delivering total annual revenue of \$39.1m, up 25.5% YOY and 3.3% ahead of our Prospectus Forecast.

"The more mature Australia and New Zealand (**ANZ**) business continues to perform ahead of expectations, currently accounting for around 79% of total group revenue. Meanwhile, our operations in Asia are rapidly growing with revenue increasing 44% YOY to \$6.8m.

"At the same time, increasing operational efficiency and productivity improved our EBITDA performance by \$2.1m to \$(7.3m), while gross margin remained in line with expectations at 62.5%.

"While COVID-19 provided a tailwind for the business, it really just accelerated the macro trend for the adoption of easy-to-use yet sophisticated communications software.

“As businesses respond to rapidly changing operating requirements, they need to be able to communicate with all their stakeholders; employees, suppliers and customers, more effectively and Whispir has satisfied that demand.

“Significant new customer growth in the second half is yet to have a material impact on revenue and ARR. Most new customers start by quickly deploying Whispir for one or two use cases that meet an immediate need. However, our experience shows that new customers quickly appreciate the significant benefits our cutting-edge communications workflow platform delivers, which inevitably leads to increased transactional volumes as customers deploy additional use cases.”

Results overview

ARR rose 34% on FY19 to \$42.2m while total revenue increased 25.5% YOY. Revenue growth reflected an increase of 33% in transactional revenue and a 16% increase in platform revenue.

Gross revenue churn reduced to only 2.4% while customer churn, at 7.0%, was also significantly lower than forecast.

Strong revenue growth combined with disciplined cost management saw operating cash nearing breakeven in the fourth quarter, improving Whispir’s FY20 EBITDA to \$(7.3m), \$2.1m better than Prospectus forecast.

Whispir’s ANZ operations performed well over the year with FY20 revenues increasing 24% YOY.

While ANZ accounts for around 79% of total group revenue, momentum continues to build in Asia. The region recorded the strongest growth in FY20 with revenues increasing 44% YOY to \$6.8m.

“Asia is well positioned to see sustained and significant revenue and customer growth over the coming year. Our strengthened team structure in the region is more effectively driving growth from existing customers while our established local channel partners enable us to cost-effectively acquire new customers.”

The rate of FY20 growth was slower for the North American business; but the Company continues to sustainably increase its footprint in the region with new go-to-market initiatives with channel partners AWS and Vonage. New personnel hires in the region are expected to drive growth in FY21.

Increased demand for communications software and fast-tracked digitisation projects resulted in two consecutive quarters of record new customer growth. 630 customers at close of FY20 was above Prospectus forecast of 621 and up by more than 120 YOY.

Whispir invested \$8.8m on a cash basis in Research and Development (**R&D**) activity in FY20, representing 22% of revenue. R&D activity delivered in FY20 included a new user interface, 81 new platform features, and enhanced data and analytical capabilities.

As part of the recently announced five-year product roadmap, cutting-edge AI and IoT capabilities will further enhance Whispir’s communications workflow platform and drive the transition to a communications intelligence company.

Outlook

Whispir remains focused on executing its long-term growth strategy - sustainably increasing its geographical footprint, acquiring new customers, diversifying channel partners and enhancing its platform functionality and capability.

“In addition to acquiring new customers in our three key markets of ANZ, Asia and North America, we are confident that we can continue to consistently grow platform usage within our existing enterprise customer base. The need for our communications workflow platform is universal across all industries and regions and the COVID-19 pandemic has highlighted the need for secure and auditable communications software that doesn’t require IT expertise to use and can be quickly deployed at scale across multiple delivery channels.”

Acknowledging the high level of uncertainty in the current economic and business environment, Whispir provides the following outlook guidance for FY21:

- Year-end ARR: \$51.1m - \$55.3m
- Revenue: \$47.5m - \$51.0m
- EBITDA: \$(6.2m) - \$(4.8m)
- R&D cash investment: \$9.2m - \$9.8m

The Company will continue to update the market as the year progresses.

Authorised by the Board

-ENDS-

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About Whispir

Whispir is a global scale SaaS company, founded in 2001 to provide a communications workflow platform that automates communications between organisations and people.

Our products enable organisations to improve their communications through automated workflows to ensure stakeholders receive accurate, timely, useful and actionable insights in a manner that is sensitive to individual contexts and preferences. Our customers use Whispir’s software to create interactive, multi-party and omnichannel communications from templates, solving simple to complex communications workflow tasks.

Whispir operates across three key regions of ANZ, Asia and North America.

More information www.whispir.com