



ASX Announcement

18 February 2021

Whispir Limited
(ASX : WSP)

Whispir delivers strong FY21 half-year, with increased platform usage and record new customers

Whispir Limited (**ASX: WSP, Whispir or Company**) has released its half-yearly results for the six months ended 31 December 2020 (1H FY21).

1H FY21 Highlights:

- Annualised Recurring Revenue (ARR) at \$47.4 million, up from \$36.7 million for the same period last year - a 29.2% increase
- Half-yearly revenues increased 27.3% over the prior corresponding period (**PCP**) to \$23.1 million
- Customer numbers now total 707, up 38.9% on PCP with a record 77 net new customers onboarded in 1H FY21
- EBITDA of \$(1.8) million, significant improvement on PCP
- Upgraded EBITDA guidance and updated guidance for ARR and revenue

Commenting on the Company's 1H FY21 performance, Whispir CEO Jeromy Wells said: "Whispir has performed very well in the first half of FY21 with ARR, revenues and customer numbers all growing strongly compared to the same period last year.

"Existing customers were the primary driver of growth in 1H FY21, delivering ARR of \$47.4 million and half-yearly revenue of \$23.1 million.

"Our Australia and New Zealand (**ANZ**) operations continue to outperform our expectations with revenue increasing 30.2% over the PCP. Our enterprise customers are spending more with us as they increase use cases, utilising our contemporary tools to solve more of their communications challenges. This region is also experiencing strong growth in new customers as organisations look for platforms that can be implemented quickly to digitise their business communications.

"The universal need for our easy-to-use communications workflow software across industries and regions resulted in 77 net new customers during 1H FY21. These new customers provide future growth opportunities as we support them to diversify and increase their platform usage.

"In line with our five-year product roadmap, we continue to add new features and functionality to improve user experience. Enhanced platform functionality with AI-inferred insights will enable us to better serve our existing customers with additional data driving more valuable, higher-margin products and supporting our transition to becoming a communications intelligence company. In addition, our more extensive product offering will provide new opportunities to acquire customers across our three key regions.

"We continue to execute our growth strategy and are well-positioned to deliver a strong result for FY21."

Results overview

Whispir is delivering on its growth strategy, increasing platform usage by existing customers and acquiring new customers in its key markets of ANZ, Asia and North America. ARR rose 29.2% over the PCP to \$47.4 million, primarily driven by increased activity from existing customers.

Total revenue increased 27.3% over the PCP to \$23.1 million, supported by a 34.1% rise in transactional revenue. Transactional revenue now accounts for 66.6% of all revenues. Revenue from subscription licences and services has also increased, up 17.1% and 4.5% respectively over the PCP.

Total operating expenditure (excluding depreciation and amortisation) of \$15.8 million was down 1.1% over the PCP. This optimal cost management combined with strong revenue growth delivered Whispir's half-yearly EBITDA of \$(1.8) million.

Increasing demand for easy-to-use software that can be quickly deployed to allow organisations to accelerate digital transformation programs helped drive new customer growth, with a record 77 net new customers onboarded during 1H FY21. Customer numbers now total 707, up 38.9% on the PCP.

Whispir's ANZ business continued to perform very well with half-yearly revenues increasing 30.2% over the PCP.

Operations in Asia also continue to grow strongly with revenues up 24.4% over the PCP to \$3.5 million for the half year. In line with the Company's land and expand strategy, Whispir is focused on increasing platform usage from its install base in this region, with new customers encouraged to start with a single use case and build over time.

"Asia provides a large and diverse market opportunity for the business. While we are seeing strong growth from our existing customers, we are winning new customers throughout the region and are partnering with system integrators such as Deloitte and Accenture to support digital transformation projects," said CEO Jeromy Wells.

Whispir's North American go-to-market strategy, targeting the underserved SME and SMB markets, has delivered new customers. With new senior leadership and increased headcount, Whispir is now well placed to service its growing pipeline and execute its growth strategy in North America. Strategic partnerships are providing momentum to acquire new customers in the region.

R&D investment to deliver Whispir's five-year product roadmap totalled \$4.6 million in 1H FY21, representing almost 20% of revenues, of which \$2.4 million was capitalised. R&D expenditure is expected to increase in the second half of FY21.

Outlook

Following the strong half-yearly result for FY21, Whispir upgrades its FY21 EBITDA guidance and updates its ARR and revenue guidance as follows.

	Previous Guidance	New Guidance
ARR	\$51.1- \$55.3 million	\$53.0- \$55.3 million
Revenue	\$47.5- \$51.0 million	\$49.0- \$51.0 million
EBITDA	\$(6.2)-\$(4.8) million	\$(4.5)-\$(3.0) million
R&D cash investment	\$9.2- \$9.8 million	\$9.2- \$9.8 million

“While ANZ currently accounts for around 81.9% of total revenues, Asia and North America are key to our longer-term growth strategy and we anticipate these markets will account for 50% of Group revenues by the end of FY23. We are sustainably building our footprint within Asia and leveraging past learnings within North America to ensure we are able to capitalise on our largest market opportunity,” said Jeromy Wells.

Authorised by the Disclosure Committee

-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 to ensure stakeholders receive accurate, timely, useful and actionable insights in a manner that is sensitive to individual contexts and preferences.

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

More information www.whispir.com