whispir

ASX Announcement
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Whispir Limited
(ASX : WSP)

Whispir posts record half-year revenue of $39.4m, up 70.4% as customers increase their use of Whispir in digital transformation boom

Whispir Limited (ASX:**WSP**, **Whispir** or **Company**), a leading software-as-a-service (SaaS) communications workflow platform, that automates interactions between organisations and people, is pleased to announce its financial results for the six months ending 31 December 2021 (1H FY22).

1H FY22 Highlights

- Half-yearly revenues of $39.4 million, an increase of 70.4% over the prior corresponding period (PCP)
- Annualised Recurring Revenue (ARR) at $60.0 million, up from $47.4 million on PCP, a 26.6% increase
- Significant contract wins in ANZ, Asia and North America provide for strong future revenue growth
- Well-funded, no debt and line of sight to cash flow breakeven
- Whispir remains on track to deliver on upgraded guidance for FY22

Commenting on the Company's 1H FY22 performance, Whispir CEO Jeromy Wells said: "The global mega trends of digital transformation are providing strong tail winds, as our established customer base continue to expand use cases and enhance the way they communicate.

"It is clear the market is recognising the benefits of the Whispir platform, evidenced by the acceleration in revenue growth in the first half of the current financial year, with ARR increasing 26.6% on the previous corresponding period, to $60.0 million.

"New customers are leveraging the benefits of our technology, particularly the no-code/low-code capability, which means they can get started quickly with no up-front costs or the need for developers. Whispir puts the power of predictive, data-driven communications intelligence at the fingertips of all employees, driving engagement, informing stakeholders with actionable insights to deliver better business and community outcomes.

"Whispir continues to strengthen its capabilities, attracting highly skilled and diverse cohorts of new hires across all regions. Attracting strong talent supports Whispir becoming the world's leading Communications Intelligence platform, delivering the best engagement rates with distraction-free, highly targeted messaging and actionable insights."

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Results Overview

Whispir has achieved a record half year with revenue of $39.4 million, a jump of 70.4% on the PCP, and a CAGR of 37.7% since 1H FY19. ARR reached $60.0 million, up 26.6% on PCP, and the trajectory over time is one of steady, high growth, with a CAGR of 29.4% since 1H FY19.

In addition to strong gains in recurring revenue, performance was boosted by significant pandemic-related transaction revenue as Whispir partnered with major healthcare providers to deliver personalised communications during Australia's COVID response.

The Company reported strong gross profit of $23.0 million, up 64.9% on PCP. Gross margin % dropped slightly from 60.4% to 58.4% due to a surge in transactional revenues, which grew from 66.6% to 80.6% of total revenue. Operating expenses rose 75.0% to $29.9 million, reflecting the increased head count from 169 (PCP) to 270 to service the growing business, while marketing spend increased in line with implementation of the marketing strategy. Whispir recorded EBITDA of $(4.6) million for the half, compared with $(1.8) million in the PCP.

Regional Dynamics

Revenue from ANZ was $35.2 million for the half year, representing growth of 85.5% on the PCP. High value contracts with multiple government departments and related agencies delivered a significant uplift in revenue in ANZ. Whispir continues to build deep relationships with key organisations and is benefitting from high levels of customer loyalty as well as an expansion of their use of the Whispir platform. A number of digital transformation projects were secured during the half, particularly in the utilities sector, with customers valuing the efficiency gains and improved user experience.

Revenue from Asia was $3.2 million for the half year, down 9.2% on the PCP. This slight fall in revenue was primarily due to negative business sentiment surrounding the pandemic with existing customers electing to defer campaigns. However, the transformational three-year deal with Asia's leading telco executed in December is expected to deliver strong revenue growth from this region going forward. The Singtel contract provides a cost-effective route to market and validated industry benchmark from which to further develop telco partnerships in the region. The Company will begin to recognise revenue from this contract in the second half of FY22, with the majority of the contract value contributing to revenues in FY23 and beyond.

In addition to Singapore, Indonesia and the Philippines present opportunities for growth and Whispir is investing in localised marketing content in multiple languages to drive digital direct growth in these countries. The increased local workforce presence in Asia supports existing customers and positions the business for further expansion.

Revenue from North America was $1.1 million for the half, up 60.7% on the PCP. North America represents our largest market opportunity and momentum is building with a pipeline of high-value customers. The focus on targeted personas through the first half of FY22, resulted in double-digit growth in customer numbers and significant contract signings - particularly in the segments of government, insurance and marketing.

Outlook

Whispir enters the second half of FY22 in a strong financial position with cash of $38.1 million and no debt, and line of sight to cash flow breakeven within the next two years.

The Company remains focused on increasing platform usage and onboarding new customers to drive revenue performance across ANZ, Asia and North America, in line with its long-term growth strategy.

Mr Wells concluded: "These strong results are an endorsement of our go-to-market strategy and our investment in building strong customer and channel partner relationships. Our industry-leading low revenue churn of just 1.8% and strong net customer revenue retention supports our growth trajectory and gives us confidence in our ability to deliver on our upgraded guidance numbers for FY22."

Authorised by the Disclosure Committee.

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About Whispir

Whispir is a global scale SaaS company, founded in 2001 to provide a communications workflow platform that automates interactions 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

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