

29 July 2024

Dotdigital Group plc

("Dotdigital", the "Company", or the "Group")

Trading Update

A year of financial and strategic progress

Dotdigital Group plc (AIM: DOTD), the leading SaaS provider of an all-in-one customer experience and data platform (CXDP), announces a trading update for the year ended 30 June 2024 ("FY 2024"). The trading performance reported in this statement is based on unaudited management accounts.

Highlights

- Revenue and Adjusted EBITDA and profit before tax are expected to be in line with market expectations for the full year¹
- Revenue growth of 14.1% to £79.0m (FY23 £69.2m), of which 94% is recurring and repeat revenue (FY23: 94%)
- Organic revenue (excluding Fresh Relevance which was acquired during the year) increased by 9% in constant currency (7% on a reported basis) to £74.3m
- Organic average revenue per customer (ARPC) (excluding Fresh Relevance) growth of 15% to £1,861 per month continues in line with customer revenue growth
- Cash balance on 30 June 2024 of £42.2m (31 December 2023 of £37.1m) is ahead of market expectations, following strong cash generation, providing the flexibility to invest in the organic and acquisition growth strategy
- Intention to pay increased final dividend in line with market expectations
- Integration of the Fresh Relevance teams, operations and product now complete and driving pipeline growth

Overview

The Board is pleased to report a strong performance for the year delivering both organic and acquisitive growth.

A highlight of the year has been the substantial advancements delivered to the Group's CXDP offering through continued internal development as well as the integration of Fresh Relevance, bringing enhanced personalisation functionality to the platform. The integration of the Fresh Relevance team, product and operations have been completed, along with associated cost synergies realised ahead of plan.

The expanded product offering, including website personalisation and enhanced AI and customer data platform capabilities has resulted in accelerating traction with higher value customers, including increased joint new customers wins in H2, as well as strong uptake of the personalisation platform by existing Dotdigital customers, driving a 15% increase in ARPC.

The Group saw double-digit growth across its geographic markets. Growth in EMEA of 14% was supported by the acquisition of Fresh Relevance. Average first year contract values in EMEA increased 58% year on year, although organic growth was tempered by elevated churn levels due to macro-economic pressures which particularly affected some of our smaller customers. APAC continues to be a standout performer, with 27% revenue growth driven by larger deals in Japan and ANZ. North America continues its positive progress with a return to double-digit organic growth (16% including acquired Fresh Relevance revenues) and a strong pipeline of opportunities.

The Group's partnership program has grown substantially with over 600 active agency partners and 190 tech partners increasing our serviceable addressable market and providing a continuous flow of new engagements.

Outlook

The Group enters the new financial year with continued positive momentum. Wider macro global conditions remain

challenging, but due to the diversity of our revenue base and the low dependence we have on individual customers, the impact of this has been limited. We are seeing growing evidence that the investment we have made into our product offering is yielding results, particularly in respect of average new logo values and pricing power.

With strong new business prospects, high levels of recurring revenue and a robust financial position, the Board remains confident in the Group's growth prospects.

Milan Patel, CEO of Dotdigital, commented:

"We are pleased to provide an update on a year of significant strategic progress for the Group alongside continued financial growth. Having laid out our CXDP vision two years ago, we have transformed our platform through the acquisition of Fresh Relevance and a number of important technology enhancements to elevate our competitive differentiation and expand our market reach. We continue to make further enhancements to benefit our customer's needs and drive more organic growth."

"Entering the new financial year, the outlook remains positive as marketing teams continue to transition to all-in-one product capabilities with demonstrable ROI. At the same time, our strong net cash position provides the resource to continue investment in organic and inorganic opportunities where appropriate."

¹ Market expectation for the year to 30 June 2024 is as follows:

- Revenue £78.7m
- Adjusted profit before tax £16.4m
- Adjusted EBITDA £24.0m

Adjustments include share based payments, acquisition costs and other exceptional items.

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About Dotdigital

Dotdigital Group plc (AIM: DOTD) is a leading provider of cross-channel marketing automation technology to marketing professionals. Dotdigital's customer experience and data platform (CXDP) combines the power of automation and AI to help businesses deliver hyper-relevant customer experiences at scale. With Dotdigital, marketing teams can unify and enrich their customer data, identify valuable customer segments, and deliver personalised cross-channel customer journeys that result in engagements, conversions, and loyalty.

Founded in 1999, Dotdigital is headquartered in London with offices in Croydon, Manchester, New York, Melbourne, Sydney, Singapore, Tokyo, Amsterdam, Cape Town, and Warsaw. Dotdigital's solutions empower over 4,000 brands across 150 countries.

information, please contact ms@seg.com or visit www.ms.com.

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