

28 January 2025

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

Trading Update & Notice of Half Year Results

Positive momentum underpinned by enhanced product offering

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 six months ended 31 December 2024 ("H1 2025"). The trading performance reported in this statement is based on unaudited management accounts.

Highlights

- Revenue, adjusted EBITDA and adjusted profit before tax tracking in line with market expectations for the full year¹
- Revenue increased by 10% in constant currency (9% on a reported basis) to £42.4m (H1 2024: £38.7m), of which 95% is recurring and repeat (H1 2024: 94%)
- Contracted ARR growth of 10%, with contracted revenue at 80% of total revenue
- Average revenue per customer ("ARPC") growth of 12.1% to £1,916 per month (H1 2024: £1,709)
- Revenue through strategic partnerships grew 13% to £18.8m
- Cash balance on 31 December 2024 of £45.7m (31 December 2024: £37.1m), in line with expectations

Overview

The Board is pleased to report that trading and financial performance for the first half of the year was in line with its expectations. Despite a challenging macro-economic backdrop, the Group saw good levels of demand from both new and existing customers, particularly within the higher value customer cohort of the Group's mid-market focus.

The Group's CXDP offering continues to evolve in line with customers' preference for a comprehensive, all-in-one platform that leverages AI and sophisticated analytics to deliver effective digital marketing strategies. The addition of web personalisation capabilities through the acquisition of Fresh Relevance in the prior year continues to yield positive results, with the combined offering contributing to higher value customer wins, and continued sales across the joint-customer bases. This has contributed to growth in functionality recurring revenue of 15.5% YOY to £17.2m including Fresh Relevance as customers deepen their engagement within the platform.

The Group made substantial progress on its product roadmap in the first half, with a focus on expanding capabilities to meet evolving market demands. The launch of TikTok and LinkedIn integrations strengthens the platform's ability to engage mobile-first users through social media, while the Group's native WhatsApp feature, currently in trial phase ahead of its planned launch later this year, represents a significant opportunity. As Meta continues to expand WhatsApp's use for business communication while maintaining a focus on user experience, Dotdigital is well-placed to capitalise on its growing importance for marketers.

The Group is pleased to report growth in all geographic regions as it continues to benefit from a diversified market presence. The Group continues to secure higher value deals in EMEA, supporting growth of 7%. Encouragingly in Q2 retention in EMEA improved against the prior two quarters which were affected by a higher level of administrations in smaller customers. Progress has been made in APAC with the region growing 19% in local currency, supported by an increasing number of deals involving Fresh Relevance. The pipeline of opportunities in the region heading into H2 remains strong. North America achieved 20% growth in local currency, buoyed by wins with several higher-value customers, though this exceptional performance is expected to normalise to more sustainable double-digit levels in the future. There remains a significant pipeline of opportunity in North America for both regional and global contracts, reinforcing its strategic importance to the Group's long-term growth ambitions.

translation capabilities to better support the high-potential Japanese market. Further developments include the launch of improved commerce reporting to meet demand for actionable insights and performance measurability, dozens of new integrations that enhance compatibility across customers' technology stacks, and the strengthening of synergies through the successful migration of Fresh Relevance to the same cloud platform as the core CXDP.

Outlook

The Group remains well-positioned to deliver sustainable growth in the second half. Continued investment in expanding our CXDP and the integration of Fresh Relevance are driving deeper customer engagement and higher-value wins globally. While mindful of the uncertain economic climate, the Group's strong cash position, excellent revenue visibility and significant pipeline of opportunities across all regions provide confidence in meeting full year expectations.

The Board continues to appraise acquisition opportunities in line with its strict criteria.

Notice of Half Year Results

The Group expects to announce its results for the six months ended 31 December 2024 on 25 February 2025.

Milan Patel, CEO of Dotdigital, commented:

"Our first-half performance demonstrates the growing global appeal of our CXDP offering and the value it brings organisations seeking comprehensive, data-driven digital marketing solutions. We set out at the start of the year to capture higher-value opportunities while strengthening retention and, at the halfway point in the year, we are in a strong position on both fronts.

"We are confident in our prospects and ability to deliver full year results in line with market expectations. Thanks to the hard work and talent of our people, our offering stands as one of the most compelling in market. Supported by a growing pipeline of opportunities across our target territories, we are well-positioned to build on the momentum in the business, delivering further progress in the second half and beyond."

¹ Consensus market expectations for the year to 30 June 2025 at the time of publication are as follows:

- Revenue £86.2m
- Adjusted profit before tax £18.1m
- Adjusted EBITDA £26.7m

For further information please contact:

Dotdigital Group Plc
Milan Patel, CEO
Alistair Gurney, CFO

Tel: 020 3953 3072
investorrelations@dotdigital.com

Alma Strategic Communications
Hilary Buchanan
David Ison
Kieran Breheny

Tel: 020 3405 0210
dotdigital@almastrategic.com

Canaccord Genuity (Nominated Advisor and Joint Broker)
Bobbie Hilliam
Elizabeth Halley-Stott

Tel: 020 7523 8000

Cavendish Capital Markets Limited (Joint Broker)
Jonny Franklin Adams, Corporate Finance
Sunila de Silva, Equity Capital Markets

Tel: 020 7220 0500

Singer Capital Markets (Joint Broker)
Shaun Dobson, Corporate Finance
Alex Bond, Corporate Finance

Tel: 020 7496 3000

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.

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