



FULL YEAR RESULTS PRESENTATION FOR THE YEAR ENDED 30 JUNE 2022

Milan Patel, CEO
Alistair Gurney, CFO
November 2022

A global omnichannel marketing automation provider



Who we are

- Formed in 1999 as dotmailer with a marketing technology vision
- A global business with a UK headquarters
- 400+ global employees
- 9 International locations
- Strong network of agency and solution partners
- Focussed on mid-market & enterprise

What we do

We provide a SaaS based omnichannel marketing platform that enables brands to engage with their customers across all touchpoints and across their customer journeys.

Users can connect their customers data to send data-driven, intelligent triggered campaigns across channels such as email, SMS, social, push and more.

Who we help

Over 4,000 brands & c.50,000 active monthly users.

Paul Smith

Copa Airlines

MONIN

Champion

UNIVERSITY OF
ABERDEEN

flora & fauna
Kind to the Planet, People & Animals

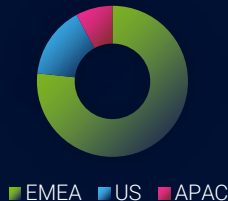
MACMILLAN
CANCER SUPPORT

Virgin
active

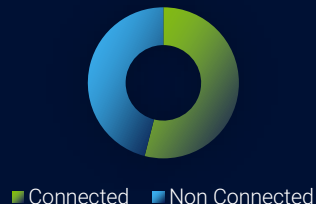
mamas
& papas

Business split

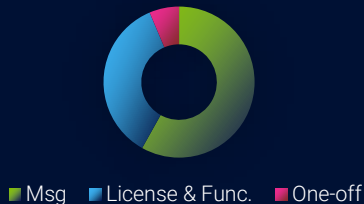
Geographic expansion



Strategic Partnerships



Product Innovation



Key financials

20%

10 year revenue
CAGR

20%

10-year adjusted
EBITDA CAGR

25%

10 year net
cash CAGR

Year in review

- Growth in all regions (APAC, EMEA & North America)
- Strong SaaS growth excluding one-off transactional SMS providing enhanced revenue visibility
- Operational enhancements addressing prior challenges:
 - ✓ Marketing SMS volumes increased YOY in normalised post-lockdown environment
 - ✓ US team in place with early positive trends
 - ✓ Headcount growth and improved retention
 - ✓ Appointment of Chairman and CFO
- Digital marketing growing as proportion of overall budgets
- Positive outlook

The Dotdigital difference



Trusted

Over 4,000 of the world's leading organisations trust Dotdigital as their partner of choice for delivering exceptional customer experiences, thanks to our uncompromising commitment to service and support.



Future-proof

You're constantly thinking about 'what's next?', and so are we. Future-proof your marketing engagements and drive revenue with a platform designed for scale. outcomes.



Connected

When it comes to engaging your audiences, we know there's no one-size-fits-all solution. That's why our marketing platform is designed to service market-specific and global needs, backed by a dedicated support.

FY22 strategic and financial progress

Revenue at top end of range; profitability and cash ahead

Up **8%**

Total revenue
growth to £62.8m

Up **6%**

Adj. operating
profit to £14.5m

Up **10%**

Adj. EBITDA
to £21.7m

Up **37%**

Strong cash
of £43.9m
& no debt

94%

Recurring revenue
of total revenue
(FY21: 93%)

31%

International revenue
(FY21: 31%)

Up **17%**

ARPC growth to
£1,461m

0.98p

Final dividend
(FY21: 0.86p)

Case study

Converse gain greater footing in international markets with the power of live chat



Established in Massachusetts, USA in 1908 as an independent rubber shoe manufacturer, Converse has since grown into one of the most iconic footwear brands in the world — with a rich history that has attracted global audiences generation after generation.

Best known for its Chuck Taylor All Star and One Star styles, Converse now offers a broad range of footwear and apparel designed to celebrate the individuality of every customer.

Challenge

Converse had set its sights on expanding its global presence, particularly in Latin America, and was in search of a marketing automation provider that would support the company as it introduced its shoes and clothing to new customers. Converse knew that personalised, scalable marketing programmes would play a critical role in its efforts to connect with a larger audience.

Solution

The team at Converse set up a meeting to learn more about Dotdigital's offerings. During the discussion, Converse quickly discovered everything that the Dotdigital platform had to offer — not to mention the added perk of having on-the-ground support in Spanish. Converse made the decision to use Dotdigital as its marketing automation provider of choice for Converse Mexico.

Converse believed that a personalized experience was key to reach more customers across the country — and that one of the most important ways to create that connection was by embracing live chat as a preferred channel of communication. The stats are clear: 44% of consumers consider real-time chat the most important feature of an ecommerce website, and a further 55% say they would abandon a transaction if they can't find the answer to their question. By engaging one-on-one with customers and offering immediate responses, Converse knew that it could remove barriers to sale.

Converse wanted to take engagement a step further. They developed a strategy to use the Dotdigital live chat tool to not only keep their existing customers happy, but also acquire new customers through information obtained in data capture forms in the chat. Along with live chat, Converse used Dotdigital's landing page and form builder to increase customer engagement and interest. These solutions were especially important when it came to limited-edition product launches, like the Bugs Bunny 80th Anniversary collection.

29%

of marketing list captured via live chat

25%

of contacts converted into paying customers

300%

repeat purchase rate

The Converse logo, featuring the word "CONVERSE" in a bold, sans-serif font with a star symbol above the letter "O".

CONVERSE®

Case study

Kissed Earth uses Dotdigital for stronger customer engagement and database management

Kissed Earth is one of Australia's fastest-growing wellness brands committed to using only the finest quality ingredients. Developed in Australia by Australians, with a team of food and science experts, the products aim to help people around the world stay healthy. Sourced and selected from some of the best ingredients worldwide, Kissed Earth is committed to using the cleanest and most potent foods from nature.

Challenge

Kissed Earth faced two key challenges – a lack of personalised campaigns and a stagnant customer database that resulted in the team overserving existing customers. It also led to a lower conversion rate and customer engagement. In response, the brand partnered with Dotdigital to integrate automated email marketing campaigns to drive better database management, re-engagement, segmentation, and personalisation.

Solution

The partnership saw Kissed Earth use Dotdigital's expertise to host and run its replenishment campaigns, tapping into key data points to understand the shopping behaviour better. Building personalised replenishment programs per SKU enabled the brand to send timely reminders to customers based on their re-purchase frequency of the products. Furthermore, Shopify order insights provided information on repeat customers for the Cleanse SKU, which helped analyse, segment, and create tailored experiences.

"Before Dotdigital, our digital marketing initiatives were re-marketing and Dynamic Product Ads (DPAs). With Dotdigital's cross-channel platform, we can now reallocate our DPAs ad spends to other channels, maximising the spend and customer reach," said Amy Goodsell, Head of Marketing at Kissed Earth.

Kissed Earth also uses Dotdigital's Google ads and Facebook audience channels for database growth and amplifying its re-targeting efforts. The audience sharing has allowed the team to build a full-funnel sales approach, reaching customers at different stages of the buying journey.

As part of the re-engagement strategy, the team targets customers, who have ordered the Cleanse product more than four months ago but haven't placed another order, with a triggered reminder email. If the customer doesn't engage with the email or place an order, they are re-targeted using Dotdigital's feed into Facebook and Google, reminding them of their next purchase.



30%

Increase in database growth

61%

Customer retention rate for FY22

22%

Increased re-purchase rate for Cleanse SKU



Case study

DHL improves productivity by 75% and delivers stellar results with creative tweaks



DHL eCommerce Solutions is the newest division of DHL, the global shipping and logistics leader that offers everything from express shipping to complex supply chain management. The division, headquartered in Germany, but operating with offices around the world and around 45,000 people, focusses on the e-commerce market, helping e-tailers expand and offering custom solutions for both small and large e-commerce businesses, as well as private customers.

Challenge

DHL's primary challenge was to support and enable some of its smaller markets while also migrating larger countries off legacy solutions, pulling together disjointed email marketing accounts to a new platform that could manage and optimize them all under one roof. The team also wanted new, easily accessible accounts for future marketing projects, fresh templates across 10 accounts in multiple languages, plus custom training sessions for different countries. With this in mind, DHL looked to Dotdigital to match its individual requirements. Discussions about the migration and onboarding process began in mid-October, with deadlines set for the middle of January. Both Dotdigital and DHL eCS teams would have to work against the clock to stick to timelines.

Solution

Some of DHL eCommerce Solutions' accounts were sat under a sister division's account, which restricted the team from an accessibility and functional perspective. With more countries coming on board and in need of a simple, powerful tool, it was clear that Dotdigital's ease of use and sophisticated features, felt like the right fit.

Once conversations began it became clear that creative help was on the agenda. The Dotdigital creative services team was enlisted to analyse and review new template designs, and code them up according to best practice – ready for use in the platform's easy editor. What's more, with accounts spread across multiple regions, all new templates had to have language variations.

With mid-January looming, training plans were finalized to equip the team to hit the ground running on day one. There was added pressure since the templates had to be coded and signed off, ready for the training session. This had to be custom-tailored to DHL's needs, with a particular focus on template usage for platform users. Having the newly coded templates set up in the relevant accounts would ensure swift and successful training.

DHL Commerce Solutions' set-up had become multifaceted, so an onboarding plan to organize and time deliverables was a must. A dedicated onboarding package was necessary because of the various account creations, numerous data migrations and extra creative requests. Regular catch-up calls were scheduled to keep track of important tasks and provide updates for stakeholders.

22%

Lift in CTR

150%

Increase in open rates

75%

Gain in productivity



Confidence for growth



"Leaders across industries are putting a laser focus on customer experience management. That's where transformation meets growth. Delivering on the promise of CXM today requires integrated applications and services combined with the right talent and the right processes. It requires a broad, open ecosystem, creativity, and a customer-obsessed culture across the entire organization."

Shantanu Narayen, CEO Adobe

"Now, the path forward is clear, Accelerate digital business or risk the survival of the organisation."

Chris Howard, Chief of Research Gartner

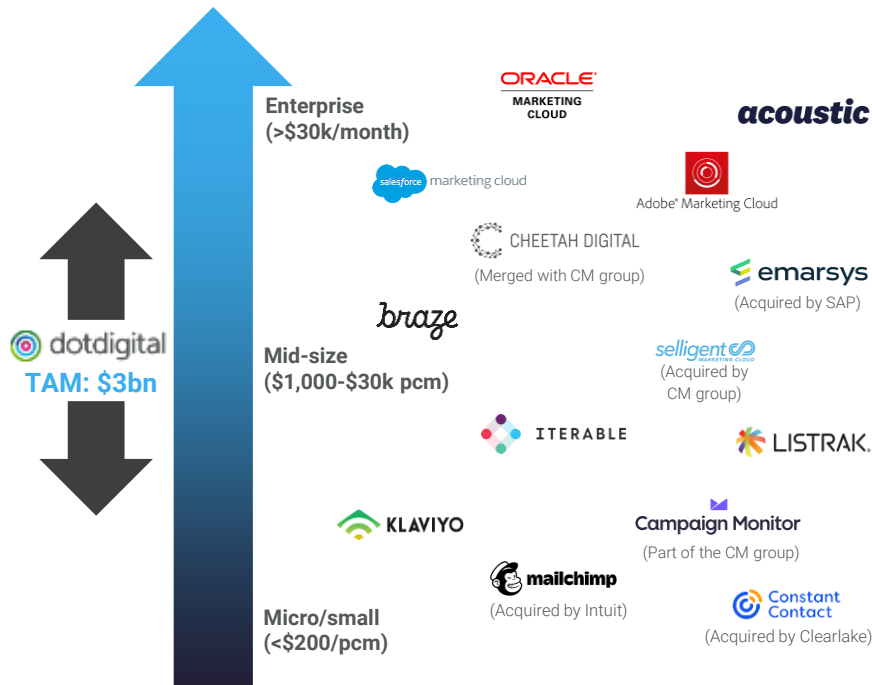
The world's largest independent mid-market customer engagement platform



Why we win

- + Unrivalled suite of capabilities for growing, global businesses with multi-store, multi-currency, and multi-language support alongside SMS reach to 200+ countries.
- + Truly two-pronged approach to product; a fast-evolving and easy-to-use platform matched by people who are committed to customer success.
- + We're democratizing CD(X)P functionality for the mid-market with a growing bank of self-serve integrations, market-leading attribution modelling, and ever-expanding analytics and ETL capabilities.

Market landscape



Financial review



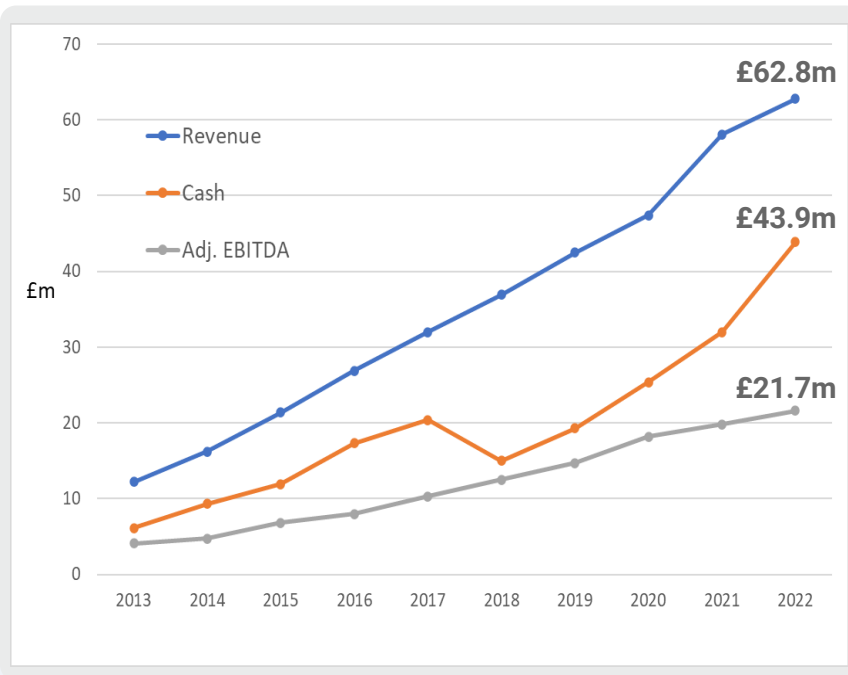
Trading Highlights

Group revenue

- Revenue from continuing operations grew **8%** to **£62.8m** (FY21: £58.1m)
- Monthly ARPC increased **17%** to **£1,461** (FY21: £1,251)
- Contracted recurring revenue grew **10%** to **£ 49.6m** (FY21: £45.1m) and now represents **79% of total revenues**
- Total recurring revenues increased to **94%** (FY21: 93%)
- Revenue from strategic partners increased by **14%** to **£28.9m** (FY21: £25.4m)
- 10 year revenue CAGR of 20%

Profit and cash

- Adjusted EBITDA up **10%** to **£21.7m**. 10 year CAGR is 20%
- Cash up **37%** to **£43.9m**, giving us various strategic options



Income Statement

- In addition to revenue growth of 8%, Gross margin has marginally improved to 82.2% due to revenue mix improvement. We have also automated the scaling of cloud infrastructure to optimise margin in future periods.
- Monthly ARPC increased 17% to £1,461 (FY21: £1,251) due to investment in customer success and focus on larger new logo customers
- International revenue remained at 31% of Group total, despite the disruption of substantial restructuring of our North American sales team
- Administrative expenses grew principally due to inflation of wages and sundry other costs, additional marketing spend and the return of travel post covid. These increases were marginally offset by FX gains.

£'m	FY22	FY21	Growth
Revenue	62.8	58.1	8%
Cost of sales	(11.5)	(10.3)	
Gross profit	51.3	47.8	7%
Admin expenses	(37.7)	(34.9)	
Operating Profit	13.6	12.9	6%
Exceptional items	0.9	0.8	
Adj. Operating Profit	14.5	13.7	6%
Margin	23.1%	23.5%	
Depn & Amort	7.2	6.1	
Adj. EBITDA	21.7	19.8	10%
Margin	34.5%	34.0%	
Adjusted diluted EPS (p)	4.18	4.06	

* Exceptional costs of £0.9m in the period

1) share-based payments £0.46m (FY21: £0.63m)

2) for the acquisition of Comapi £0.12m (FY21: £0.19m)

3) Settlement with departing senior management £0.36m (FY21: £0)

Statement of financial position

- Healthy balance sheet due to good trading and working capital management
- Strong cash position gives us strategic options
- We remain debt free
- Strong distributable reserves

£'m	FY22	FY21
Non-current assets	30.7	29.8
Other current assets	13.2	13.4
Cash	43.9	32.0
Total assets	87.8	75.1
Non-current liabilities	4.5	3.7
Current liabilities	13.5	10.4
Total liabilities	18.0	14.1
Total equity	69.8	61.0
Total equity and liabilities	87.8	75.1

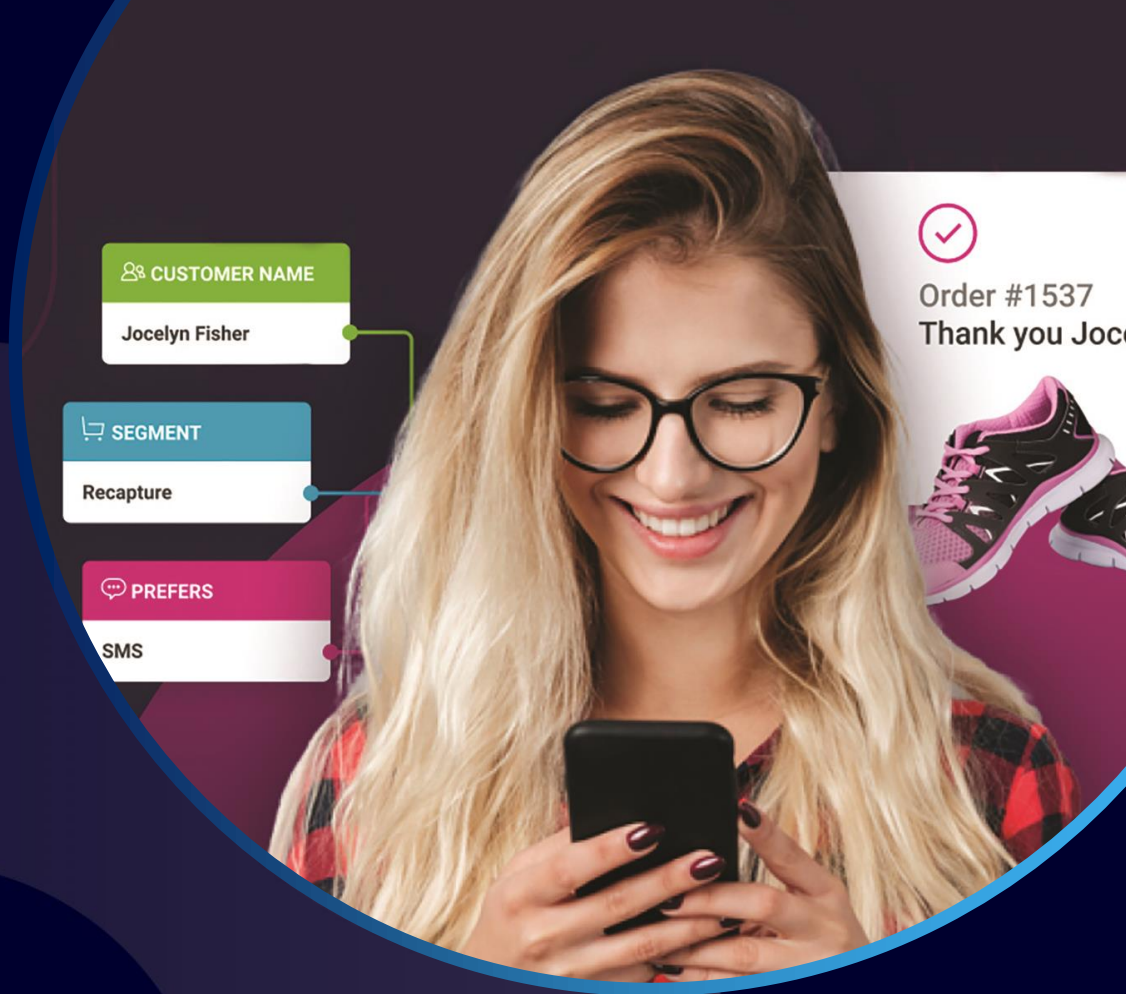
Statement of cashflows

- Cash flow from operations has grown **38%** to **£23.4m**. This represents **108% conversion** of adjusted EBITDA
- Free cash flow in excess of **£15m** despite accelerated investment in product
- Dividend continues to grow with adj. EBITDA growth

£'m	FY22	FY21
Net cash generated from operations	23.4	17.0
Net cash used in investing activities	(8.1)	(7.0)
Net cash used from financing activities	(3.7)	(3.5)
Cash and equivalents BoP	32.0	25.4
Effect of fx rate changes	0.3	0.1
Cash and equivalents at EoP	43.9	32.0

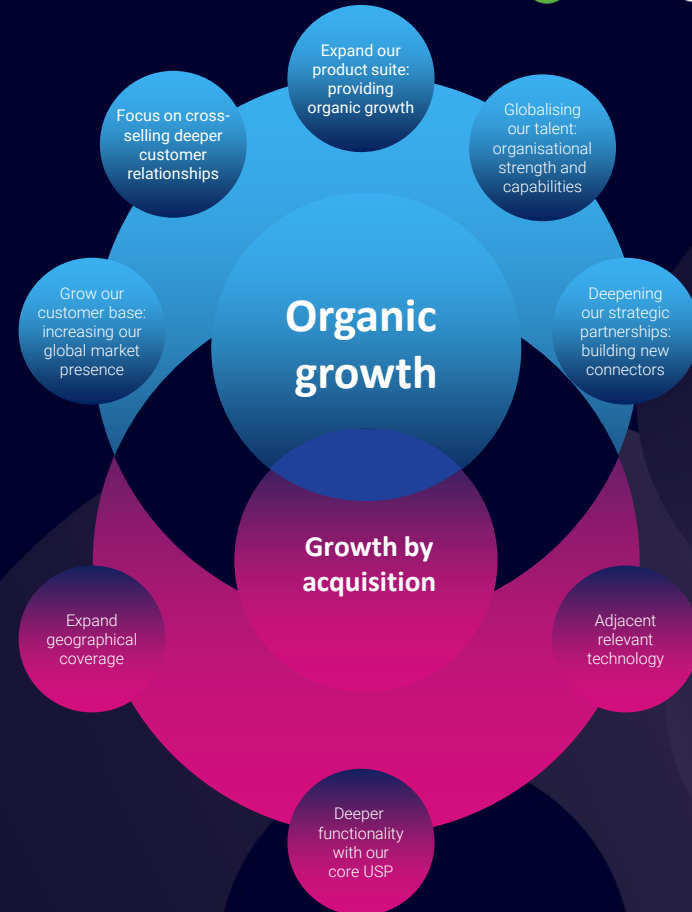
£'m	FY22	FY21
Adjusted EBITDA	21.7	19.8
Working capital	3.9	(1.7)
Exceptional items (Cash only)	(0.4)	(0.1)
Tax	(1.8)	(1.0)
Investments	(8.1)	(7.0)
Free cash flow	15.3	10.0
Dividend paid	(2.6)	(2.5)
Other financing activity	(1.1)	(1.0)
Effect of fx rate changes	0.3	0.1
Net change in cash	11.9	6.6

Growth strategy



Continued delivery against our focused strategy

Our core growth strategies



Product innovation driving value



Product innovation



Strategic partnerships

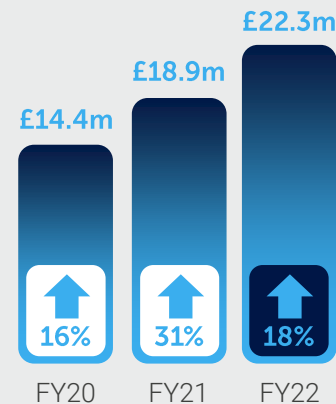
Geographic expansion

- Functional Recurring Revenue grew by 18% to £22.3m (FY21: £18.9m). It now makes up 45% of recurring revenue (Exc. Transactional SMS).
- Enhanced our reporting and analytics with advanced revenue attribution and modelling and added advanced analytics.
- Launched Customer Data Platform to help customers better personalise campaigns and remove data silos.
- Increased our off the shelf integrations within the Martech Ecosystem.

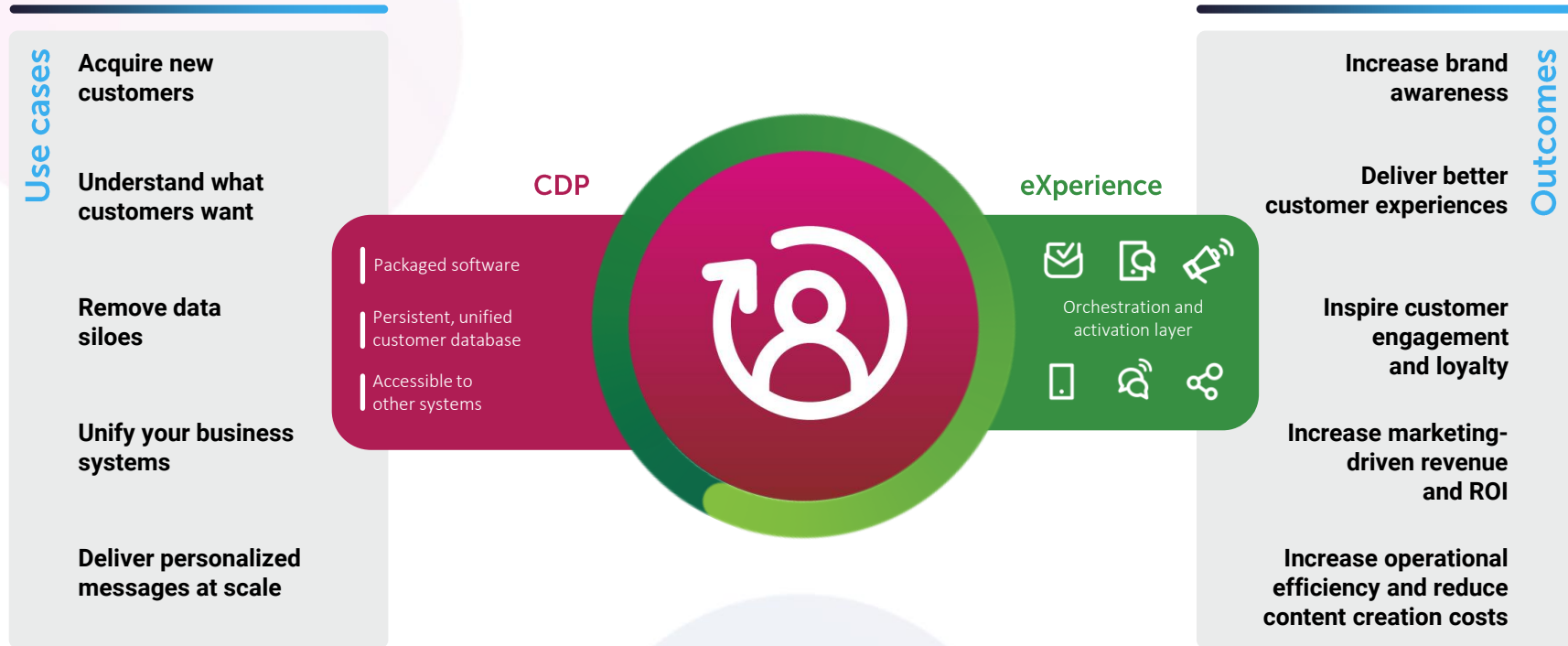


Functionality Recurring Revenue

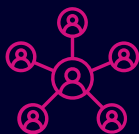
(Engagement Cloud –
License and functionality)



Attributes of a CDXP



Longer term roadmap themes



Seamlessly integrate to your stack

- Deep strategic partner integrations
- More qty into the commerce & marketing ecosystems inc. marketplaces
- Connections to data warehouses & BI platforms
- Build your own extensions



Single Customer View and contact unification

- Unified Contact API
- Single Customer View
- Email & SMS contact unification
- 'Any' or 'no' primary key support
- Information Architecture (IA) changes to our UI



More data, more insights

- Data ingestion, transformation & cleaning
- Improved & more flexible analytics
- Further privacy & governance capabilities
- First & zero party data collection



More insights, more action

- AI journey builder
- Extending our prediction engine
- Content intelligence & optimisation
- Advanced analytics & insights powered by AI
- Optimisation of existing AI models



Channels

- Website personalisation
- Further native WhatsApp support for marketing
- Further support for RCS
- Emerging social & messaging channels

Building pipeline and market reach



Product innovation

Strategic partnerships



Geographic expansion

- Sales from customers using connectors to our strategic partners' solutions increased 14% to £28.9m (FY21: £25.4m).
- Revenue from Magento (Adobe Commerce) increased 10% to £15.8m (FY21: £14.3m)
- Revenue from Shopify increased 56% to £3.3m (FY21: £2.1m)
- 67% increase in revenue from BigCommerce customers to £650k
- Revenue from Microsoft Dynamics connector up 5% to £4.5m (FY21: £4.3m)
- Revenue from Salesforce connector up 9% to £3.5m (FY21: £3.2m)
- New strategic partners and further diversification into areas such as cloud services



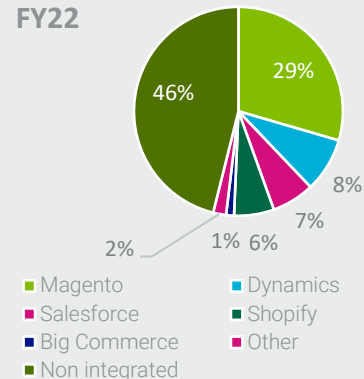
Global Premier
Technology Partner

Gold Microsoft
Partner

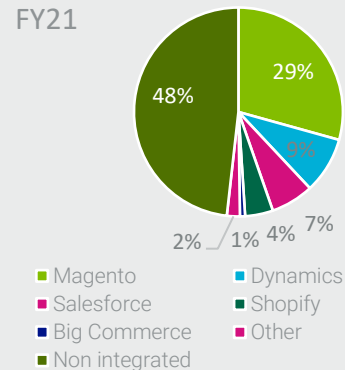
Technology Partner

Verified Partner

FY22



FY21



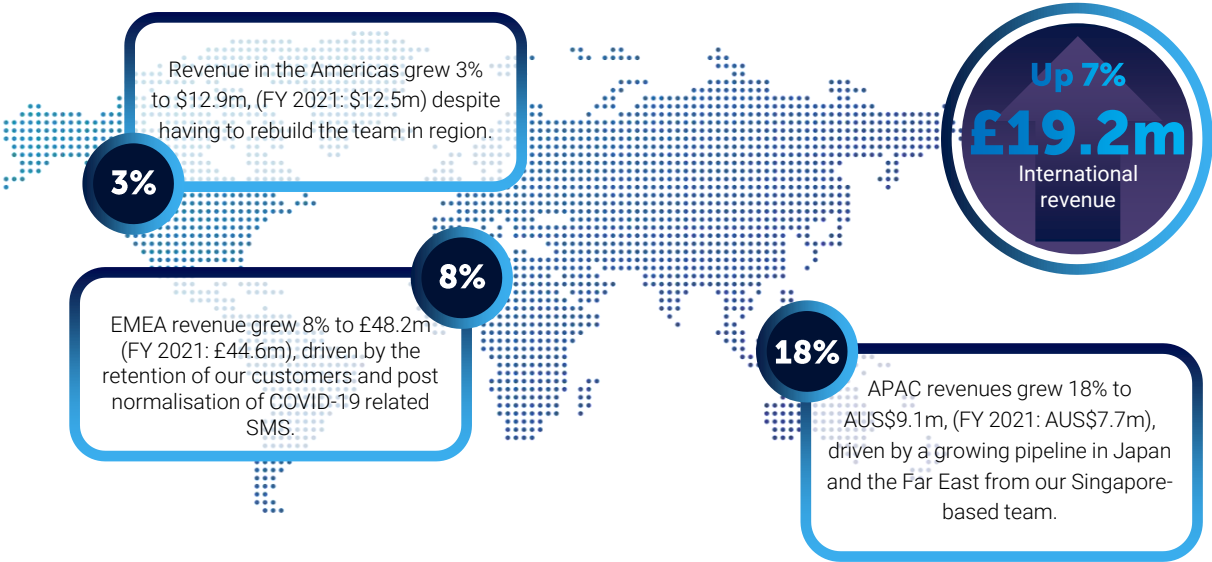
Growth across our global opportunity



Product innovation

Strategic partnerships

Geographic expansion



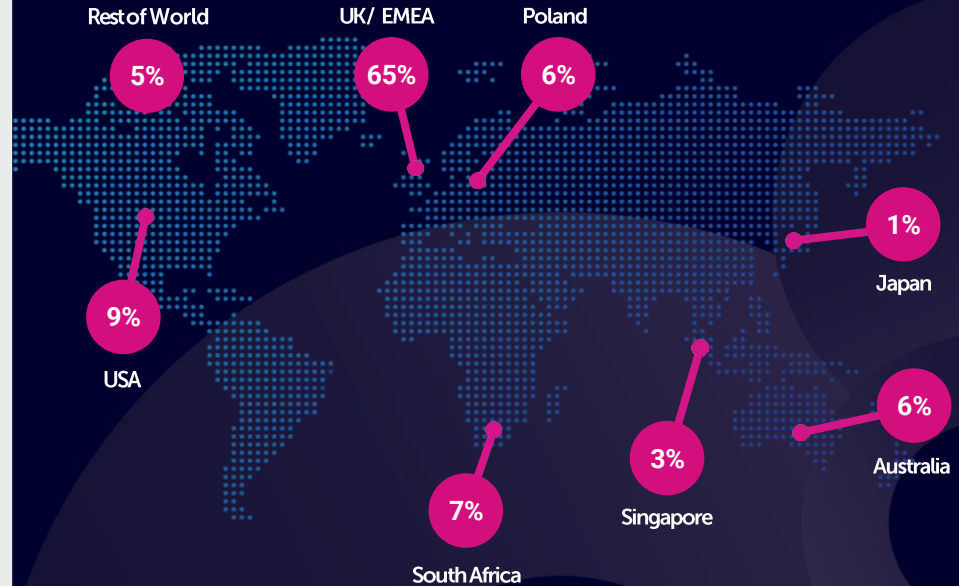
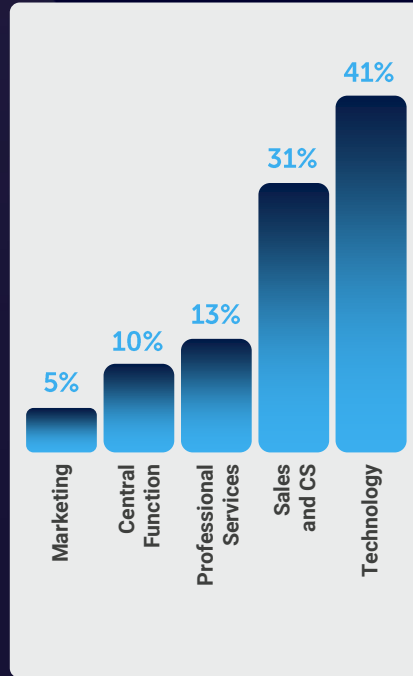
Selection of new clients signed



Our people



Rapidly growing global team of talented & diverse employees



Looking ahead



FY23 priorities

Grow pipeline
across regions

Build
partnerships to
enhance brand
awareness

Attract and
retain staff

'One culture'
for office &
remote

Educate
market on
product
offering

Dotvoice



Dotwellbeing

Wellbeing initiatives
Open discussion
Support & education



dotDEI

Gender pay gap report
Employee surveys
Inclusive hiring



Dotcommunity

Fundraising events
Charity partnerships
Employee volunteering



Dotgreen

100% renewable energy
as of July 2022
Net zero by 2030
ISO 14001 certification

Dotdigital have continued to operate as a carbon neutral business for the 3rd year in a row.

Positive trading momentum into new financial year

Improved operational foundations to return to double digit growth in the medium term

Highly visible SaaS business model & robust balance sheet giving flexibility to invest in growth pillars

Clear strategic vision for future

Favourable market growth drivers

Questions



Appendix



Board of Directors



Milan Patel
Chief Executive Officer

Milan was responsible for the Group's functions in financial management and reporting, regulatory compliance, legal and corporate governance for the business prior to being made permanent CEO of the Group in 2016. He also brings substantial strategic financial and commercial experience to the Board. Milan is now responsible for leading our international growth strategy, accelerated product innovation, developing strategic partnerships and executing on the acquisition strategy.



Alistair Gurney
Chief Financial Officer

Alistair joined the Board in September 2022, bringing experience of senior finance leadership roles in international technology businesses. He was most recently Director of Group FP&A at Unit4 Business Software, where he revised the groups management reporting and business partnering processes. Additionally, he led the financial due diligence process in Advent's sale of the business to TA Associates and Partners Group.



John Conoley
Non-Executive Chairman

John was appointed as Non-Executive Chairman in July 2022. He brings significant executive and non-executive Board-level experience of both fully-listed and AIM-quoted businesses. Recent public company roles include CEO of Psion PLC from April 2008 to October 2012 when it was acquired by Motorola; Non-Executive Director of NetDimensions from October 2016 to April 2017 when it was acquired by Learning Technologies, and Non-Executive Chairman of Wameja, the mobile financial services company acquired by MasterCard in 2021. He is currently Executive Chairman of the AIM-listed FireAngel Safety Technology Group PLC.



Boris Huard
Non-Executive Director

Boris is the EMEA Managing Director for GBG Plc, bringing present day experience of running software, big data and analytics businesses – topics of key importance to Dotdigital. Boris has previously held roles in the technology industry for 20 years, ranging from divisional Managing Director at Logica, Board Director with Maxima Plc, Chief Executive at Sword CTSpace and UK&I Executive Board at Experian.



Liz Richards ACA
Non-Executive Director

Liz is a highly experienced executive and Non-Executive Director with a career spanning the Financial Services, Data and Software sectors. Liz was Chief Financial Officer for Callcredit (now Transunion), a successful consumer data business, overseeing its rapid growth from start-up to a £150m revenue business. She brings experience of high-growth acquisitive business, and financial, audit and governance expertise.

Strong and supportive shareholders

Global reach

- Liontrust Asset Management **18.18%**
- Directors **10.7%**
- Octopus Investments **9.4%**
- Baillie Gifford **5.4%**
- Slater Investments **5.3%**
- Investec Wealth & Investment **4.8%**
- Hargreaves Lansdown PLC **3.4%**
- Highclere International Investors **3%**
- Franklin Templeton Fund Management **2.9%**
- Herald Investment Management **2.6%**
- Rathbones **2.4%**



Investment case



Strategy

Clear and compelling strategy focussed on organic growth complemented with M&A

Focussed on both the B2B and B2C digital experiences for mid-market and enterprise companies.
Rapid product innovation supporting average revenue per customer expansion and driving return on investment for our customers.

International growth based on proven blueprint.

A focussed approach to brand success extended through global strategic partners.



Scalable

Highly scalable platform for all sizes of customers with a predictable financial model

SaaS business model driving high margins.

Predictable and transparent financial model with high levels of recurring revenue.

Diverse customer base from size of business to industries they operate within.

Profitable growth with strong cash balance and no debt.



Growth

Attractive industry growth with a change in sentiment post-COVID-19

Email marketing automation has a proven superior ROI for marketers from all digital marketing channels.
Global marketing automation spend is, according to Precient and Strategic Intelligence, showing double-digit growth and is predicted to reach \$14.2bn by 2030.

Marketeers are predicted to accelerate adoption of omnichannel.

Digital marketing as a proportion of overall marketing budgets continues to accelerate



Independence

The successful Dotdigital culture

Highly talented and motivated people focussed on customer success.
A culture that is aligned to company objectives and vision.

Unique industry position with many competitors distracted.

Flexible, extendable and effective product that drives retention.



Leadership

Experienced management team

Executive team with a proven track record of success.

Strong Non-Executive Board with experience of scaling businesses of this size.

Wider management team with the motivation to continue the profitable growth story.

All employees aligned to the strategic priorities of geographic expansion, product innovation and building strong strategic partnerships.



Outlook

Strong growth prospects

Innovation to support marketing teams with their data challenges and move to omnichannel using personalisation and intelligence.

Ability to complement organic growth strategy with technology acquisitions to accelerate product expansion.

Attract more global strategic partners to increase addressable market.

New geographic markets with greater potential than the UK alone.

Case study

Action for Children uses cross-channel communications to help those in need



For over 150 years, Action for Children has worked to change the lives of vulnerable children in the UK. The charity ensures the voices of the most vulnerable are heard and it campaigns to bring lasting improvements to their lives. The money raised by its various fundraising activities means more children and families in crisis can get the help they need.

Challenge

Due to the outbreak of the Covid-19 pandemic and with events cancelled, 40% of fundraising income was at risk. The organization had to adapt and innovate to find an alternative way to raise money for those relying on its help and services. In the space of three months, Action for Children designed a brand-new mass-participation event and delivered a celebrity-led virtual sleepout.

To maximize its impact and ensure all sign-ups attended the event, Action for Children needed to create an unforgettable journey to drive fundraising efforts. To do this, it took advantage of Dotdigital's pages and forms, marketing automation, and cross-channel functionality.

Solution

Using Dotdigital's landing pages and forms tool, Action for Children created four forms to be embedded on its website. Three forms targeted specific audience groups capturing key information to be used in the registrant's on-going email journey. The fourth form was created for individuals who were no longer able to attend the event, so they could drop-out and be removed from its automation programmes. The charity created a complex series of automations to act as stewards for the event. This email campaign supplied registrants with information about the event and provided fundraising ideas to keep people engaged until the day of the event.

To further engage participants, Action for Children utilised SMS as an additional communication channel. As well as using SMS to confirm event registration, it also delivered key announcements on this channel. This was the perfect channel as the event was progressing as such a speed that the organisation couldn't add all the developments to its email campaigns in enough time. SMS, with its non-existent design requirements and high read rates, meant competitions, prize incentives, and celebrity announcements were delivered quickly and efficiently.

Action for Children also supported the event with an "on the night" automation program, email reminders with information about broadcast details being used in tandem with SMS throughout the event. Once again, the immediate nature of SMS perfectly complimented the virtual event as text messages were scheduled to drive donations after case study videos had been presented.

40%

average email open rate

30%

average click-to-open rate



Disclaimer



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By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions and actual results or events may differ materially from those expressed or implied by those statements. Accordingly, no assurance can be given that any particular expectation will be met and reliance should not be placed on any forward-looking statement. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. No responsibility or obligation is accepted to update or revise any forward-looking statement resulting from new information, future events or otherwise. Nothing in this presentation should be construed as a profit forecast.

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