



ASX Announcement

28 August 2023

Whispir Limited

(ASX : WSP)

Increased margins, stronger financial outlook, as Whispir posts FY23 results and looks to positive free cash flow in FY24

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 year ended 30 June 2023 (FY23).

FY23 Highlights

- Asia revenue growth accelerates - up 19% on PCP to \$8.0m
- Revenue of \$53.7m within guidance range, down 24% on FY22 due to cessation of pandemic-related revenues
- Gross margins up to 62% in H2 with further improvement anticipated in FY24
- Organisation right-sized delivering \$20m of savings p.a.
- >27% of revenue invested in R&D, provides access to new revenue opportunities
- Free cash outflow¹ of \$21.7m, 3% improvement on FY22, reducing to \$1.3m for Q4 FY23
- Secured \$7.5m debt facility with no requirement to raise further capital in FY24

Commenting on the Company's FY23 performance, Whispir CEO Jeromy Wells said: "These results leave Whispir in a sound position to continue executing our strategic priorities in FY24. We are fast approaching positive free cash flow given our restructured cost base and continued strengthening of our gross margins."

"The numbers we are releasing today give a clear picture of how the underlying business is tracking after the cessation of one-off business relating to COVID communications. Revenue from our customer install base shows encouraging signs of regrowth, supported by a robust sales pipeline, and we anticipate close to 80% of our FY24 growth will come from expanding platform use by existing customers. This reflects the typical trend of customers increasing use cases over time as well as expanding use of the Whispir platform across different divisions of their organisations. Product development during FY24 will also open new revenue streams from new and existing customers."

"Meanwhile we continue to pursue and secure new customers, with our established telco partnerships delivering a reliable stream of sales leads. This is especially the case for our Asian business which grew 19% in FY23."

¹ Cash flow from operating and investing activities (excluding leasehold fit-out refunded via a lease incentive payment shown in financing activities).

Regional Dynamics

Asia growth remained strong, with revenue up 19% on PCP as the region gathers momentum. The Asian telco partnership has been a key part of Whispir's strategy in the region, and ensures a robust pipeline of new business.

Whispir's ANZ and North America revenue were down as anticipated. North American revenue fell 16% to \$1.5 million as Whispir pivoted to greater growth and margin opportunities in Asia.

ANZ revenue fell 29% to \$44.2 million, with second-half revenue stabilising as pandemic-related revenue washed through. The resilience of the underlying ANZ business is demonstrated through Net Revenue Retention of 103% and Churn of 2.1% when FY22 pandemic-related revenue is excluded.

Outlook

Whispir expects revenue growth in FY24 to be driven by demand from the install customer base, existing momentum in Asia, new saleable product features and new customer signings, the latter evidenced by the e-prescription deal signed in Q4 FY23.

Whispir also expects continued improvement in gross margins, driven by more favourable wholesale pricing recently obtained from Telco carriers. The cash expense base (including capitalised R&D) is expected to remain capped at approximately \$36 million.

The Company is focused on generating free cash flow from 2H FY24 onwards while executing delivery of its product road map, which is expected to deliver four new major releases across FY24.

CEO Jeromy Wells said: "Whispir enjoys a leadership position serving a large and growing addressable market for digital communications. Our established approach of securing new customers through telco partnerships alongside our own sales networks is well proven in both ANZ and Asia. Meanwhile our quality install base of blue-chip companies across a diversity of sectors and geographies provides a de-risked pathway to organic growth. With costs firmly in hand and improving margins, we are confident of delivering positive free cash flow in the current financial year."

Authorised by the Disclosure Committee.

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For further information, please contact:

Corporate

ir@whispir.com

Jenni Pilcher, CFO & Company Secretary
+61 424 750 737

Investors

andrew.keys@keysthomas.com

Andrew Keys
+61 400 400380

About Whispir

Whispir is a global communications intelligence company that supplies a no code, Communications-as-a-Service (“CaaS”) platform that enables seamless omnichannel interactions between organisations, their systems and people to solve common challenges in terms of compliance, deliverability and engagement across more than 60 countries.

Whispir operates across three key regions of ANZ, Asia and North America. More information www.whispir.com