



ASX Announcement
25 August 2021

Whispir Limited
(ASX : WSP)

Whispir building momentum with strong FY21 customer and revenue growth

Whispir Limited (ASX:WSP, **Whispir**, or **Company**) has released its full-year results for the 12 months ended 30 June 2021 (FY21).

FY21 Highlights:

- FY21 Annualised Recurring Revenue of \$53.6m, up 28.5% on FY20
 - Recurring revenue now represents 96.7% of total revenue
- FY21 revenue of \$47.7m increased 22.1% on FY20
 - Gross revenue churn at 2.4%
- FY21 net new customers at 171 taking total customers to 801, up 27.1% on FY20
- Operating EBITDA¹ of \$(4.7)m, an improvement on \$(5.6)m in FY20
- Well-funded to accelerate growth with cash and equivalents of \$49.2m following the successful \$45.9m capital raising in Q3 FY21

Whispir continues to grow Annualised Recurring Revenue (**ARR**) through attracting, converting, and retaining customers as digitisation of business processes accelerates globally.

Commenting on the Company's FY21 performance, Whispir CEO Jeromy Wells said:

"Whispir has never been in a better position to support a growing number of businesses to innovate their stakeholder engagement through digital means. Our business is committed to substantial investment in R&D, sales and marketing capabilities to drive new and existing customer growth.

"During FY21 the Whispir platform continued to scale with ARR increasing 28.5% and largely driven by increased usage amongst existing customers who are extracting more value from the platform, as well as new customer sign-ups across each region.

"Our market-leading products, their multiple use cases, and growing market demand means Whispir is well placed to increase the velocity of new customer acquisition while continuing to grow ARR. This includes our largest opportunity in North America where we have a validated product fit for underserved segments of the market. Our strategic go-to-market shift, which came into effect in 2H21, is focused on specific customer personas."

¹ EBITDA excluding non-cash share-based payments

Group results overview

Whispir continues to perform strongly with ARR increasing 28.5% on FY20 to \$53.6m. Total revenue increased 22.1% on FY20 to \$47.7m. Operating EBITDA excluding non-cash share based payments was \$(4.7)m, a 17.5% improvement on FY20.

Total operating expenditure of \$(34.9)m reflects increased investment priorities on growing regional capability, and R&D accelerating the delivery of the product roadmap. In FY21 Whispir invested \$10m in R&D activity, representing 21.0% of revenue.

Throughout FY21 progress was made in building prediction, detection and automation capabilities. Whispir's dedicated product intelligence and strategy function is working to deliver more profitable customers; research to identify underserved markets to pursue growth; and is supporting the prioritisation of product features that deliver more value for customers.

Net new customers added during the period were 171, with 94 of them onboarded in 2H21. Total customers have increased to 801 in FY21, up 27.1% on FY20, maintaining an average ARR of \$66.9k. Whispir continues to leverage its channel partnerships to cost-effectively acquire new customers in its three key regions.

The Company enters FY22 in a strong financial position to fund product development and accelerate customer acquisition – in particular in the attractive North American market – with a strong balance sheet and a cash and equivalents balance of \$49.2m at 30 June 2021.

Regional dynamics

ANZ remains the most significant market for Whispir with 83% of total revenue in FY21. The region onboarded 107 net new customers in FY21, taking total ANZ customers to 641. Whispir also successfully renewed its business partner agreement with Telstra for a further three-years until FY24.

In Asia, 46 net new customers were onboarded in FY21 – an increase of 360% on FY20 – taking customers in the region to 124 in total. COVID-19 outbreaks in the region caused significant disruption to businesses and general economic sentiment resulting in timing delays for revenue activation from these new customers. This dynamic is expected to change in FY22 as vaccination rates rise.

In North America, 18 net new customers were onboarded during 2H21, taking total customers to 36 in FY21 as Whispir builds more local credibility in this market. The majority of new customers are directly attributable to the persona go-to-market strategy which has expanded the sales pipeline.

A deliberate change in the North American go-to-market strategy was announced during the year to focus on the underserved small-to-medium enterprises and businesses with revenues ranging from US\$10m to US\$1bn. While this impacted short term sales, positive early signs in customer numbers underpins confidence in the superior growth this market is expected to unlock for Whispir in the longer term.

Outlook

The Company remains focused on increasing customer numbers, platform usage and revenue performance across ANZ, Asia and North America in line with its long-term growth strategy.

Mr Wells concluded: "In FY21 we've accelerated our customer growth across all regions, driven increased product utilisation and delivered strong ARR. We've also made good progress in our data-led product development pipeline to increase engagement and enhance communication outcomes for customers.

“In Asia, where COVID-19 has delayed revenue activation from new customers, the pandemic is accelerating the digitisation of many business practices that Whispir is well placed to benefit from.

“We see significant opportunity for growth in the underserved SME and SMB segments identified in North America. We have successfully delivered new customer growth in the recent half as a result of adding more capability to execute against our strategic plan and our refined persona-led strategy.

“Whispir continues to invest in industry leading artificial intelligence and machine learning capabilities that will further enhance the value we deliver customers and build long term competitive advantage from our next generation products.”

The company provides the following guidance for FY22²:

- Year-end ARR: \$65.4m - \$70.0m or 22-31% growth
- Revenue: \$57.2m - \$60.2m or 20-26% growth
- Operating EBITDA: \$(15.5)m - \$(13.0)m
- R&D cash spend: \$17.5m - \$18.0m or 70-80% growth

The Company will continue to update the market as the year progresses.

Authorised by the Disclosure Committee.

-ENDS-

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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

² Range provided given the current global situation which provides many opportunities for Whispir but makes planning and forecasting with certainty a challenge