



PRESS RELEASE

LiveChat Software recorded PLN 84.7 million in revenue and PLN 46.4 million in net profit in the first half of the 2020/21 financial year.

Consolidated revenue of LiveChat Software in the first half of the financial year 2020/21 (started on 1 April 2020) amounted to PLN 84.7 million, an increase of 35.5% year on year. The EBITDA result in this period increased by 31.8% to PLN 54.3 million.

Consolidated net profit in the first half of the financial year, taking into account the impact of the IP Box tax relief, was PLN 46.4 million. The value of tax savings due to the use of the tax relief amounted to PLN 6.2 million. In the second quarter, the Company recognized a negative effect of the impact of exchange rate differences (visible in "own cost of sales" position), which amounted to PLN 2.9 million and negatively influenced the efficiency ratios. In the previous quarters, this effect did not occur or was of marginal importance and the Management Board assumes that it will not be repeated on a similar scale in the following periods.

"Online communication is becoming more and more important to companies around the world and the pandemic has accelerated the already visible trends related to digitalization. We are satisfied with the results achieved, but we set ourselves very ambitious targets for the future – the development of LiveChat and our other products and combining them into a coherent offer are measures that will help us achieve our goal - to eliminate communication barriers between companies and their customers," said LiveChat's CEO Mariusz Cieply.

The targets and values of LiveChat Software have been included in the Constitution presented by the Company to investors together with the annual report for the previous financial year.

The increases recorded in the first half of the year are the effects of both the increase in the number of customers of the Company's solutions and the ARPU measure (average monthly revenue per user). The ARPU of the LiveChat product, calculated based on monthly recurring revenue (MRR), has been growing continuously since August 2019. In Q2 2020/21, this ratio measure at USD 111 USD (vs 93.8 USD a year ago).

The increase in the ARPU of the LiveChat product is the effect of upselling to existing partners who use the product more intensively and attracting larger customers. The change in the LiveChat pricing model at the beginning of 2020 was also important.

The increase in ChatBot ARPU (USD 76.8 in Q2 versus USD 49.9 a year ago) is the effect of the introduction of new subscription plans in January 2020.

The number of active and paying LiveChat customers at the end of September 2020 was 31,306 versus 28,376 a year ago. The solution is used by companies, institutions, and universities from 150 countries around the world. In the same period, the number of ChatBot customers increased to 1537 compared to 794 a year ago. The revenue generated by this product already amounts to PLN 2.84 million in H1, which means an increase of ca 230% per year.

The Company, as an organization, efficiently adapted to the new conditions and now relies entirely on the remote work model. The Management Board believes that the change has not negatively affected the running projects.

The Company’s business model enables Company to secure high operating margins. In the first half of the year, the gross margin on sales was 82.8%, the operating margin was 58.6%, the EBITDA margin 64.1% and the net margin was 54.8%. During this period, LiveChat Software generated PLN 48 million in cash flows from operating activities. In September 2020, the Company paid a dividend from the profit for the previous financial year, and at the end of the 2020/21 half-year, it held PLN 31.1 million in cash funds.

LiveChat Software

LiveChat Software operates in the “customer service” business, and it is one of the leaders of the global market for live chat solutions. Its LiveChat product supports companies in customer service, online sales support and lead generation. This way, LiveChat partners can stay in touch with their customers anywhere and at any time. Other products of the Company include ChatBot, HelpDesk and KnowledgeBase.

LiveChat Software employs over 180 specialists at its headquarters in Wrocław. For over six years, it has also been a company listed on the main market of the Warsaw Stock Exchange.

LiveChat is used by over 31 thousand companies from approx. 150 countries, and the ChatBot product has found 1500+ customers in over 30 countries.



