



LiveChat Software recorded over PLN 100 million in profit in the financial year 2020, an increase by 31.6% y/y.

LiveChat Software's consolidated net profit increased in the financial year 2020/21 (ended on March 31) by 31.6% to PLN 100.16 mn. In this period, the Group generated PLN 179.01 mn of revenues, which means an increase by 36.8% y/y.

"In March, our recurring monthly revenues (MRR) exceeded USD 12 million. At the moment, the annual value of our subscription revenues (Annual Run Rate - ARR) exceeds USD 50 million. During the global pandemic, our solutions have helped many companies to continue their business, communicate with clients or switch to remote work. The role of online communication will still continue to grow, and our mission to eliminate barriers in this process will become even more important," said Mariusz Ciepły, CEO of LiveChat Software.

Within the past year, the LiveChat team increased from 169 to 212 people. The expansion of a team was a response to the challenges faced by the Group. These include the technological development of its products, adding new functionalities, improving the offer dedicated for Enterprise customers, developing the sales department, and introducing new marketing activities that support the customer acquisition process. Also, during the pandemic, LiveChat switched to remote work. In effect, employees from Wrocław and other Polish cities, Boston, London, or Madrid can cooperate with the Group.

"Such a change in the work organization is a huge challenge for the HR department. Therefore, during the year, we implemented solutions enabling remote recruitment. At the same time, we also try our best to support the team's members in this new situation and to help them take care of their mental health condition," emphasized CPO (Chief People Officer) Agnieszka Susidko.

The Company has lately launched an "assistance" program, enabling anonymous psychological support for LiveChat's employees and their relatives. The Group also organizes numerous online activities for the team. For example, "LiveChat Academy" (a project that allows the employees to share their knowledge) or "Side Project Day" (a special day when people from different departments work together on innovative ideas). The first Side Project Day was such a successful event that its concept was extended to the entire so-called "Sprint" (the two weeks for which the Company plans its tasks).

Significant organizational changes accompanied the development of the Company. As a result, in May 2020, its organizational structure was "flattened". Among others, the number of "CXO" (directors) increased to seven.

FINANCIAL RESULTS

Consolidated revenues recorded in the financial year amounted to PLN 179.01 million, and the Group's net profit was PLN 100.16 million. In this period, EBITDA increased by 32.2% to PLN 116.90 million, and the operating profit by 30.7% to PLN 107.11 million.

Despite the significant increase in employment, the Group continues to record very high operating margins. The gross margin on sales was 84.4%, and the net profitability was 56%.

In Q4 alone, revenues increased by 33% to PLN 48.05 million and EBITDA by 24% to PLN 32.20 million. Net profit amounted to PLN 27.51 million - slightly less than a year ago, which results from the fact that in the last quarter the full effect of using the IP Box program was recognized, and in the financial year 2020/21 it was spread over all quarters.

The results are in agreement with the consensus. The average forecast of the analysts of seven brokerage houses (forecasts collected by the Company - as of May 6, 2021) amounted to PLN 47.8 million of revenues and PLN 27.3 million of net profit.

The financial results are the result of both the increase in the number of customers for its solutions and the increase in ARPU (average revenue per customer). In the case of the LiveChat solution, the number of paying customers at the end of March 2021 was 32,864 compared to 28,784 a year earlier. The number of LiveChat customers grew every month of the financial year. In the case of ChatBot, the number of paying customers at the end of the financial year was 1,874 compared to 1,108 a year earlier.

The increase in ARPU of the LiveChat product, calculated in dollars, amounted to approx. 17% per annum, while the increase in ARPU of ChatBot was over 57% per annum.

The company is very effective in generating cash. Cash flows from operating activities amounted to PLN 106.49 million in the previous financial year, compared with PLN 75.82 million a year earlier.

The Management Board also confirmed the Dividend Policy, which provides for allocating the largest possible part of the profit to the Shareholders and intends to recommend to the General Meeting to allocate PLN 95.02 million out of PLN 99.78 million of LiveChat Software S.A.'s unit profit for dividends. At the same time, it asked the Supervisory Board for consent to the payment of a second advance on the expected dividend. It would be PLN 0.89 per share (i.e. the same as the advance payment made in January 2021).

ABOUT LIVECHAT

LiveChat Software offers software solutions to manage business communications, generate leads, and sell online. It allows companies to stay in touch with their customers anytime and anywhere, just like they want to. The product suite consists of LiveChat, ChatBot, HelpDesk, and KnowledgeBase.

The products serve more than 33,000 businesses from 150 countries. The company's customer portfolio starts with small, private companies and goes up to Fortune 500 enterprises, including PayPal, IKEA, Allstate, CapitalOne.