



Business Review 1–9/2024

Q3/2024: Quarter of strong profitability

LeadDesk Plc Press release 25 October 2024 at 9.05 am. An unofficial translation of the Company release published on 25 October 2024, 9.00 am. In case the document differs from the original, the Finnish version prevails.

July–September 2024

- Revenue EUR 7,740 (7,336) thousand, growth 5.5%
- Revenue growth 5.7% on a comparable currency basis
- Annual recurring revenue contract base EUR 26,903 (25,325) thousand, growth 6.2%
- Annual recurring revenue contract base growth on a comparable currency basis 6.5%
- EBITDA EUR 1,366 (1,095) thousand, 17.7% (14.9%) of revenue

January–September 2024

- Revenue EUR 23,207 (21,809) thousand, growth 6.4%
- Revenue growth 6.7% on a comparable currency basis
- Annual recurring revenue contract base EUR 26,903 (25,325) thousand, growth 6.2%
- Annual recurring revenue contract base growth on a comparable currency basis 6.5%
- EBITDA EUR 3,444 (2,914) thousand, 14.8% (13.4%) of revenue

Figures in parentheses refer to the equivalent period in the previous year unless otherwise stated. Figures presented in this press release are unaudited.

Comparable figures have been calculated by translating foreign currency figures into euros using the average exchange rate of the previous financial year.

CEO, Olli Nokso-Koivisto:

“The positive development of LeadDesk’s revenue and profitability has continued in the third quarter. Our profitability improved, with EBITDA being 17.7% of revenue. We kept our cost level under control and as a large part of our expenses are fixed or growth investments, our relative profitability improves as the scale of our business grows. The figures for the third quarter were affected by the typical seasonal variation in personnel costs and client activity in the summer months, which increases profitability but cuts revenue. Revenue grew on a comparable currency basis by 6.7% in the first nine months and by 5.7% in the third quarter. The annual recurring revenue contract base growth on a comparable currency basis was 6.5%. Almost 65% of our annual recurring revenue is international.

In the continental European market, our revenue continued to grow by double digits. Growth was strong, especially in the Spanish and Dutch markets. In continental Europe, we have clarified our focus on contact center customers that specialise in contacting and selling to customers. In this segment, we expect our market share to grow rapidly. Scale also helps to drive our profitability, as it allows us to gain scale benefits, for example, in telecom service margins.

In our home market, the Nordics, we focused on efficiency and profitability. The revenue development of enterprise customers continued to be positive, but the market situation for small and medium-sized (SME) customers in Finland continued to be challenging. In October, we merged the sales organisations of enterprise customers and small and medium-sized customers to centralise strategic steering under a single manager. The previously reported regulation-following new invoicing model in the telecom operator business will cut revenue growth, but the impact on profitability will not be significant.

We will continue to identify suitable acquisition targets, to acquire market share and technology. The integration with the Norwegian contact center software provider Telemagic, which we acquired in May, has proceeded according to plan. Despite acquisitions, our net gearing ratio has remained moderate.

AI-based solutions are a key part of our growth strategy. AI Bot and AI Writer enable automatic and semi-automatic conversation in customer service, AI Dialer speeds up the contacting and AI Analyst makes contact center management more efficient. Our customers' experiences with the services have been encouraging. In addition, the AI Transcriber tool aims to convert all our customers' calls to text by

the end of the year. This enables the development of new AI-based services and further strengthens our competitiveness.

LeadDesk has a strong growth strategy and a goal-oriented work culture. We are also living amid a major artificial intelligence transformation, which is a great opportunity for us. Achieving our goals requires considerable effort from our employees. LeadDesk has entered an interesting phase, and I believe our efforts will be rewarded in the coming years. We thank our employees for their commitment and hard work, our customers for their trust and our investors for their support and faith in our vision.”

Outlook for 2024 (unchanged)

The company has published (27 February 2024) the following outlook for 2024:

- The company expects 5–15% annual revenue growth on a comparable currency basis.
- Profitability is expected to be 10–15% measured by EBITDA margin.
- The outlook does not consider the impact of significant acquisitions on revenue or profitability.

LeadDesk Plc
Board of Directors

More information

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LeadDesk Plc in brief

LeadDesk is a leading European provider of cloud-based contact centre software. The LeadDesk cloud service, powered by artificial intelligence, improves customer experience and sales productivity. Over 20,000 customer service and sales professionals work more efficiently with LeadDesk weekly. In 2023, the Group's revenue was EUR 29.4 million, most of which came from outside Finland. The Group has offices in eight European countries. LeadDesk Plc's shares are traded on the Nasdaq First North Finland marketplace under the ticker LEADD. www.leaddesk.com