



Business review 1-3/2024

Q1/2024: The positive momentum in the enterprise market continued

LeadDesk Plc Press release 24 April 2024 at 9.05 am. Unofficial translation of the company release published on 24 April 2024, 9.00 am. In case the document differs from the original, the Finnish version prevails.

January–March 2024

- Revenue EUR 7,685 (7,259) thousand, growth 5.9%
- Revenue growth on comparable currency basis was 6.7%
- Annual recurring revenue contract base EUR 25,678 (24,052) thousand, growth 6.8%
- Annual recurring revenue contract base growth on a comparable currency basis 6.9%
- EBITDA EUR 945 (916) thousand, 12.3% (12.6) 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:

LeadDesk's year 2024 started according to plan with revenue increasing by 6.7% in comparable currencies. The annual recurring revenue contract base increased by 6.9% at comparable currencies. EBITDA increased by 3.2% to EUR 945 thousand, representing 12.3% of revenue.

The positive momentum in enterprise markets continued, and we continued to sign new agreements. At the same time, we made expected progress in the implementations of major customer agreements signed in the previous year.

With SME customers, our own sales activities were expanded from the previous quarter. However, the market continues to exhibit general caution. Regionally, our progress was strongest in Continental Europe. In line with our strategy, we will continue growth investments in markets that perform best.

On the AI front, we continued our progress and introduced a new AI-based solution to the market. AI Dialer, which enhances the contacting operations of our customers, is now in pilot use with our first customers, and the initial experiences have been very good. According to customers, our product has improved the efficiency of their employees by up to tens of percents. During the second quarter, we aim to expand the solution for wider production use.

In the first quarter, we also expanded the use of the AI Transcriber tool we launched in October. We already have the capability to convert 50 percent of the calls we process to text, and aim to get close to 100 percent by the end of the year. We continue to develop the solution further, together with our customers, while refining the commercial model. Converting speech into text is a key prerequisite for developing and selling other value-added services – such as creating conversation summaries – to our customers.

Revenue from telecom operators developed positively, even though the regulation-driven change in the invoicing model between Finnish operators regarding business numbers decreased our revenue by approximately one hundred thousand euros. For the full year, the impact on revenue is approximately half a million euros. The impact on profitability is not material.

Our contracts allow regular price increases. A large share of the price increases will occur in the second quarter of this year. In terms of profitability, we continued to carefully manage costs as want to keep our profitability at a good level while accelerating our growth.

Outlook for 2024 (unchanged)

The Company has issued (27 February 2024) the following guidance for 2024:

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

Financial reporting in 2024

The company will release the following financial releases in 2024:

- Half Year Review January–June 2024: 15 August 2024
- Business Review January–September 2024: 25 October 2024

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