plexure

20 May 2021

Plexure increases revenue despite COVID-19 slowdown and invests for future growth

Mobile engagement and loyalty company Plexure has grown revenue during FY 2021, despite challenging COVID-19 conditions, and has raised capital to enable continued investment for future growth.

Highlights:

- Revenue from existing customers up 15% to $29.15 million
- Recurring revenue (license and support fees) increased 14% to $18.3m
- Rate of growth slower than anticipated due to impact of COVID-19, although market conditions improved in second half of the year
- Loss of $7.93 million
- Capital raising to accelerate new product development and platform enhancements led to increase in operating cost base – up 53% to $36.94m
- Cash in bank of NZ$42.4m at year end after ASX listing raise and NZ Share Purchase Plan (SPP) to support future investment growth

Phil Norman, Chair of Plexure, said the Board remained positive about the future of the business, having come through a difficult year well-placed to continue with its growth strategy.

“The COVID-19 pandemic has presented some unexpected challenges. However, the senior leadership team has dealt with them decisively and effectively, limiting the impact of the pandemic. Whilst we have not secured the level of sales hoped for in FY21, we’re confident that increasing sales and marketing staff in multiple jurisdictions, specifically Asia, the US and Europe, will enable this,” he commented.

Craig Herbison, Chief Executive Officer, said the financial results for FY21 were reflective of the company’s growth strategy, and represented a solid performance in a challenging environment.

“We undertook capital raising to accelerate new product and feature development and the platform enhancements required to support much larger user numbers and activity levels,” he said.

“This bolstering of the platform’s capacity as well as the company’s sales and marketing capability lifted our operating cost base. Of the $12.716m increase in costs, wage and staff costs contributed 59% of that increase, while platform and IT costs contributed 23%.”

“The increase in platform users and activity has elevated IT costs from $6.473m to $9.337, up 44%, which included some dual running costs as we moved parts of our platform between cloud providers,” added Mr Herbison. “Re-architecting and enhancing the platform remains a key focus for the business,” he concluded.

The Plexure team grew to 150 at year end, an increase of 8% from 139 a year ago. Salary and contractor costs increased by $7.479m to $20.295m, which reflects investment in the engineering teams to enhance and further grow Plexure’s technology capability.

Expenses associated with the capital raising and ASX listing process were the major factors for the increase in professional costs of $1.6m.

Mr Herbison said that although revenue continued to grow through FY21, the rate of growth decreased as the impact of COVID-19 precipitated a slowdown in new sales activity, coupled with lower volumes of activity from existing customers.

“Market conditions improved in the second half of the year. However, several deals stalled in the final stages, although we remain confident that they will come to fruition,” he added.

Revenue from existing customers grew 15% to $29.150m compared to the previous year ($25.251m). Recurring revenue (representing licence and support fees) increased by $2.199m or 14% to $16.116m, while non-recurring revenue increased by $1.929m, or 22% to $10.835m. Non-recurring revenue is funded development and consulting services undertaken for customers. There has been a consistent pipeline of non-recurring revenue over the past few years and this will continue for the foreseeable future.

Other (losses)/gains show a loss of $0.667m compared to a gain of $0.420m last year. This is largely driven by a foreign exchange loss of $0.150m compared to last year’s foreign exchange gain of $0.803m. Significant strengthening of the New Zealand dollar over the course of the year has predicated this shift.

The net loss after tax for the period attributable to shareholders increased by $8.937m to $7.930m.

Mr Herbison said the company ended the year with $42.4m of cash at bank after raising $31.6m via a secondary listing on the ASX together with a further $5.0m from a New Zealand Share Purchase Plan (SPP). “We’re well-placed to continue with our growth strategy as we look to market recovery post COVID-19,” he said.

ENDS

For more information please contact:

Kelly Bennett
Managing Director
One Plus One Communications
Phone: +64 21 380 035
Email: kelly.bennett@oneplusonegroup.co.nz

About Plexure:

Plexure is a mobile engagement software company. Global brands use the Company's products to engage consumers on mobile devices and drive engagement via personalised offers, mobile order and pay and loyalty. Plexure's software integrates with operational systems to remove friction and create a seamless purchase experience for consumers.

Plexure makes the sales process for consumer-facing brands seamless, engaging and profitable by identifying where customers are, what they want and then facilitating their purchases. The Company's technology platform and product offering covers five key capabilities:

- Personalised offers
- Next generation loyalty programmes
- Mobile order, pay and fulfilment
- Analytics
- Seamless operations integration

Brands that use Plexure experience an increase in customer numbers and visit frequency, higher average transaction values, larger share of wallet and improved customer satisfaction scores.

The Company now has over 224 million end users on its platform in 64 countries.

Plexure employs 155 staff globally, with offices in Auckland, Dunedin, Atlanta, Chicago, Tokyo, London and Copenhagen. Clients include McDonald's, White Castle, Super Indo (part of the Ahold Delhaize grocery chain) and Loyalty New Zealand.