



# **INTERIM RESULTS**

**For the six months ended 31 December 2024**

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**Dotdigital Group plc**  
("Dotdigital" or the "Group")

**Interim results for the six months ended 31 December 2024**

Dotdigital Group plc (AIM: DOTD), the leading SaaS provider of an all-in-one customer experience and data platform (CXDP), announces its unaudited interim results for the six months ended 31 December 2024 ("H1 FY25").

**Financial Highlights**

- Group revenue increased 10% to £42.4m (H1 FY24: £38.7m) in constant currency
- Recurring and repeating revenue as a percentage of total revenue was 95% (H1 FY24: 94%) and contracted recurring revenue represents 80% of total revenue (H1 FY24: 79%)
- ARPC<sup>1</sup> increased 12.1% to £1,916 per month (H1 FY24: £1,709 per month)
- Adjusted EBITDA<sup>2</sup> of £13.8m up 11% from £12.4m
- Adjusted profit before tax<sup>3</sup> growth of 12% to £10.0m (H1 FY24: £8.9m)
- Net cash balance of £45.7m on 31 December 2024 (H1 FY24: £37.1m)

**Operational Highlights**

- Continued demand for Dotdigital and Fresh Relevance capabilities in line with market trends, with added web personalisation capabilities enabling higher value and larger customer wins
- Growth in all geographic regions with international revenue now representing 32% of total revenue
- Continued execution against the Group's product roadmap, with new product innovation developments including the trial phase of the Group's native WhatsApp channel ahead of launch in H2

**Milan Patel, CEO of Dotdigital, commented:**

*"The first half of FY25 was a pleasing period of double digit revenue and profit growth alongside execution against our product roadmap.*

*With an increasing market focus on data, personalisation and artificial intelligence functionality, the organic and inorganic investments into our platform in recent years have aligned us well with demand. We reported continued growth across all geographic regions, and we are seeing an increasing pipeline in EMEA and now North America and APAC, for the capabilities brought about by the acquisition of Fresh Relevance.*

*We continue to focus on enhancing our offering, with the upcoming launch of our WhatsApp native channel representing an exciting opportunity for customers to further engage with increasingly mobile-first audiences.*

*We enter the second half trading in line with expectations for the full year, and remain confident in our long-term growth prospects."*

*1: ARPC: Average revenue per customer (including new customers added in the period and existing customers) based on our December billing*

*2: Adjusted EBITDA Earnings before interest, tax, depreciation and amortisation, adjusted for exceptional items such as amortisation of acquired intangibles and share based payments*

*3: Adjusted Profit before tax: Profit before tax adjusted for exceptional items and share based payments*

*4: Consensus market expectations for the year to 30 June 2025 at the time of publication are as follows: Revenue of £86.2m, Adjusted profit before tax of £18.1m, Adjusted EBITDA of £26.7m*

## About Dotdigital

Dotdigital Group plc (AIM: DOTD) is a leading provider of cross-channel marketing automation technology to marketing professionals. Dotdigital's customer experience and data platform (CXDP) combines the power of automation and AI to help businesses deliver hyper-relevant customer experiences at scale. With Dotdigital, marketing teams can unify and enrich their customer data, identify valuable customer segments, and deliver personalised cross-channel customer journeys that result in engagements, conversions, and loyalty.

Founded in 1999, Dotdigital is headquartered in London with offices in Manchester, New York, Melbourne, Sydney, Singapore, Tokyo, Amsterdam, Cape Town, and Warsaw. Dotdigital's solutions empower over 4,000 brands across 150 countries.

## Operational Review

We are pleased to report a period of positive trading in line with our expectations, with continued growth in all geographic regions.

Despite challenging conditions in the Group's end markets, our enhanced offering and the growing recognition of the significant ROI provided by our products continue to underpin the strong demand across all regions.

Dotdigital delivered revenue growth of 10% to £42.4m (H1 24: £38.7m) on a constant currency basis with adjusted profit before tax growth of 12% to £10.0m (H1 24: £8.9m). The Group's high proportion of recurring revenues continues to drive strong free cash flow generation, with the Group ending the period with a net cash balance of £45.7m (H1 24: £37.1m).

The Group continues to land larger customers and higher-value deals within its core mid-market segment while also seeing some adoption within the larger enterprise space. Notable new customers signed in the period include Dreams, Fujifilm, Kaplan Financial, Bodyshop Australia, Arena Leisure Racing, Moss Motors, Best and Less and Fast Fitness Japan.

The Group made good progress in signing Fresh Relevance customers on a standalone and joint (i.e. customers that select Dotdigital's core offering alongside Fresh Relevance) basis, demonstrating the delivery of the cross and up-sell benefits of the combination. These wins were primarily in EMEA, where Fresh Relevance is already well established, and we are now beginning to roll the enlarged offering out across North America and APAC with encouraging initial uptake. Sector-wise, we have seen particular success in not-for-profit and retail.

A priority for the first half has been execution of the Group's organic product roadmap, with continuous upgrades and enhancements to strengthen the platform and user experience. This includes the trial phase of the Group's WhatsApp native channel, demonstrating positive ROI for customers, ahead of the channel's expected full launch later in the year. Alongside this, the Group continues to broaden its strategic technology partnerships, expanding its market reach and complementing its direct sales strategy.

Alongside robust new customer acquisition, the Group saw continued increased uptake across its large existing customer base. Functionality recurring revenue increased by 15% to £17.2m, as customers

expanded their use of Dotdigital's CXDP. Reflecting its increasing usage, the Dotdigital platform was used to send over 823m emails across Black Friday & Cyber Monday weekend, up 15% on H1 24. In total, 3.5bn emails were sent across November, a record for the Group. In tandem, approximately 79m SMS messages were sent in November, up 20% on H1 24, and Black Friday/Cyber Monday SMS sends were up 22% on H1 24.

Overall, SMS usage for the period increased 33% to 477m sends (H1 24: 358m), though we expect this to normalise in FY 25 H2 back to mid-teen growth rates due to specific marketing campaigns in H1 25. At the same time, the Group saw a 10% increase in email sends from its platform on H1 24, up to 18.6bn (H1 24: 16.8bn).

Despite challenging economic conditions, long-term market drivers remain in Dotdigital's favour. Among marketers, the demand for an all-in-one platform for personalised, data-driven marketing campaigns is strong, with a recognition of the tangible benefits and efficiencies it can achieve including more effective campaigns, higher customer conversion and increased customer loyalty.

Additionally, in the first half, the Group completed the infrastructure migration of Fresh Relevance from Amazon Web Services to Microsoft Azure, to align with the core Dotdigital CXDP platform. This paves the way for deeper data integration opportunities while also optimising costs.

Trading in 2025 to date has been encouraging and reinforces our confidence that FY 25 will be another year of solid progress, with a focus on continuing to expand internationally and with larger customers.

In recognition of the Group's strong cash position, the Board continues to assess options for selective acquisitions to enhance and broaden the Group's proposition. As previously set out, the Group is exploring opportunities with a broad focus on the following key categories: adjacent CXDP-related technologies that will drive ARPC expansion and deepen our international markets; for talent and brand to expand geographical coverage; and specialist functionality for target verticals.

As announced on 28 January 2025, Chief Financial Officer Alistair Gurney has informed the Board of his intention to step down from his role and the Board in order to pursue a new business opportunity. Alistair will step down from the Board on 30 April 2025 and will remain with the Group until the end of June 2025 or an orderly transition is complete. The Group will provide an update on Alistair's successor in due course.

## **Market**

Overall, the global marketing automation market size was valued at USD \$6.65 billion in 2024<sup>1</sup> and is expected to grow at a CAGR of 15.3% from 2025 to 2030. Dotdigital operates within several strands of this broader market and is set to benefit from key trends such as the rise of automation and data analytics.

Given the wider economic pressures in Dotdigital's end markets, there remains an ongoing focus among marketers to generate ROI in their marketing spend. In this respect, personalised marketing is increasingly recognised as a more cost effective and impactful means to attract and retain customers.

This trend is underpinned by a growing focus on capturing and harnessing a greater number of customer touchpoints, which enables hyper-personalised marketing experiences and enhances predictive analytics and engagement. While data remains key, our Hitting the Mark report, which analyses the marketing performance of brands around the world, shows that, currently, only 23% of brands collect zero-party data globally, with only 9% of brands using data to personalise their campaigns, demonstrating the considerable white space for further growth.

Equally, artificial intelligence has now firmly established itself as a straightforward and cost-efficient tool for the creation and tailoring of campaigns. Dotdigital's research shows this remains high on the agenda for marketing investment, supported by third-party research, which shows a 20% increase in use of generative AI in 2024 by B2B marketers on the prior year.

Market trends indicate a growing shift to mobile-first campaigns to reach a generation of mobile-first consumers. WhatsApp is set to become an increasingly important channel for marketers to engage with customers on a one-to-one basis. Meanwhile, TikTok is emerging as a key platform for marketers to reach a diverse, multi-generational audience.

Dotdigital's Global Benchmark Report for 2025 analysed engagements across tens of billions of email and SMS campaigns from over 40 industries across the world to better understand what constitutes a typical campaign. This report demonstrates the importance of maintaining continued channel diversification across email and SMS in customer engagement.

<sup>1</sup> <https://www.grandviewresearch.com/industry-analysis/marketing-automation-software-market>

## **Strategy**

The Group's growth strategy centres around its three strategic pillars: geographic expansion, product innovation, and building on our strategic partnership relationships.

### ***Geographic expansion***

*Regional breakdown reported in local currency*

The Group is pleased to report growth in all regions.

EMEA, the Group's largest market, grew 7% to £31.3m. The addition of Fresh Relevance's capabilities supported the acquisition of higher value deals in the region, and cross-sells with existing customers. The Group added seven new standalone Fresh Relevance clients in the period, along with 12 new joint business wins.

This progress is supported by the increased use of data to drive enhanced and relevant marketing campaigns, with the connection data siloes across organisations becoming an increasing important factor in procurement decisions. Liquidations and insolvencies of customers have decreased on prior periods, contributing to a stabilisation of churn levels in Q2. While trading conditions remain challenging, Dotdigital is benefiting from the continued rationalisation of technology stacks across the market, which remains a high priority for organisations looking to manage their costs and optimise their marketing spend.

The Group saw a continuation of its progress in North America, with revenues in the period growing 20% to \$8.8m, aided during the period by wins with larger customers. North America is an exciting opportunity for Dotdigital, with a number of prospective customers across the mid and enterprise level market. At the same time, North America also offers the prospect of winning a greater number of global contracts for the Group. As we focus on developing our sales and professional services teams in the second half, we expect to see growing traction enabled by the additional capabilities from Fresh Relevance. Looking ahead, we expect growth rates to normalise around the mid-teens level for the medium term.

Revenues in APAC grew 19% to AUS \$8.2m with particular success in Far East Asia. The Group achieved several new deals driven by Fresh Relevance, with a strong and growing pipeline of opportunity in the region. As previously discussed, in line with the significant opportunity in Japan, the Group has developed further support for its Japanese customers with specific campaign templates and improvements to its in-app translation. The Far East market is typically mobile-first, and we are excited by the opportunities our investments into new mobile channels including WhatsApp and TikTok will bring. Accordingly, the Group has further increased its investment in people and R&D in Japan.

### ***Product Innovation***

With Fresh Relevance fully integrated and delivering efficiencies, the Group advanced its product roadmap, focusing on the growing shift to mobile-first consumer usage.

In this regard, Dotdigital has progressed in the launch of its native WhatsApp channel which we feel will be a complementary channel to SMS. WhatsApp is increasingly being implemented by Meta as a tool for business communication and has the potential to generate a significant ROI for customers. Customers will be able to use this channel in the same way as the existing SMS or email channels, with features including self-service campaign management, two-way chat, and user-friendly editing, all with simple reporting and segmentation. The Group's native WhatsApp channel is currently in trial phase and is expected to launch formally in April 2025. Early WhatsApp marketing campaigns have been received positively, with praise for simplicity and ease of use. These initial campaigns have seen high open rates of over 87%, with campaigns demonstrating up to a 46x return on spend.

Another focus in the period was social integrations for lead generation and re-targeting. The Group launched new TikTok and LinkedIn integrations, helping marketers reach audiences through social media more effectively. This builds on the Group's existing integrations with Facebook and Google Ads. These new integrations enable re-targeting more engaged audiences on social media, and by automatically pushing any leads captured on these social channels back into automated follow-up campaigns in the Dotdigital platform. These integrations enable customers to maximise their marketing spend, reduce costs, and tailor campaigns for their specific audiences through the most appropriate channel.

To further enhance our customer experience, we have launched improved e-commerce reporting, including new Revenue Per Recipient reporting as well as enhancements to back in stock reporting and cross-account revenue reporting. These features will enable customers to gain a deeper understanding of their business performance.

In line with the demand for comprehensive and personalised data, Dotdigital has further enhanced its platform through custom identifiers, a highly sought-after feature that allows businesses to unify disparate customer data points, such as email addresses, social media handles, and other identifiers under a single, cohesive profile. This enables seamless customer recognition across multiple touchpoints, improving engagement and personalisation.

The Group has increased its investment in the Innovations team to enhance R&D efforts and explore the development of new complementary products and capabilities. While at an early stage, we expect these developments to contribute to ARPU expansion and provide the Group with competitive differentiation.

### ***Strategic Partnerships***

The Group maintains a strong partnership programme, with over 660 active agency partners and nearly 190 technology partners. New partnerships in the period include a technology integration with CRM platform Razor's Edge, with five customers now signed up via this partnership.

During the half, revenue through strategic partners grew 13% to £18.8m (H1 2024: £16.7m). Revenue from customers using the e-commerce connectors grew 12% in the period from £11.4m to £12.7m. Over the same period, we also saw strong growth in sales from customers using the CRM connectors, up 14% in the period from £5.3m to £6.1m.

The Group continues to explore new opportunities for partnerships to complement its direct sales channel and increase its brand awareness.

### **Current trading and outlook**

Trading momentum has continued into the second half to date. The Group's focus remains on enhancing its product offering, with the launch of its WhatsApp native channel set to be an important means to attract new customers and deepen relationships with existing ones.

With the opportunity in all geographic regions remaining substantial, supported by large and growing pipelines, the Board is confident in the Group's ability to continue to execute against its stated strategy and is on track to meet market expectations for FY 25.

In view of its strong cash position and focus on accelerating and enhancing its CXDP offering, the Board continues to appraise acquisitions that will augment and broaden its capabilities.



## **FINANCIAL REVIEW**

### **Revenue**

Revenue during the period grew 10% to £42.4m from £38.7m in H1 FY24. The full period impact of Fresh relevance revenues was in part offset by the phasing of churn of some legacy customers and foreign exchange (“FX”) rate movements.

Recurring and repeating revenue continues to represent c.95% of revenues. Our CPASS business had a temporary benefit from the US election. The gross retention rate has stabilised in Q2 following a couple of more challenging quarters where we saw an increase in administrations in smaller clients, but the overall impact has been limited by the quality and diversity of our customer base. Average revenue per customer growth has continued at 12.1% to £1,916 per month (H1 FY24: £1,709 per month).

International revenue represented 32% of total revenues in the period, from 33% in H1 FY24. Continued growth in APAC and strengthening in North America (19% and 20% growth respectively in local currency) increased the proportion of international revenues in the Group, but this was in part offset by changes to FX rates and the relatively higher proportion of Fresh Relevance revenue which is UK based. North American revenue was \$8.8m (H1 FY24: \$7.3m), while APAC revenue was AUS\$8.2m (H1 FY24: AUS\$6.9m). EMEA revenues grew 7% in the period to £31.3m (H1 FY24: £29.3m).

### **Gross Margin**

Gross margins remain largely consistent with the prior period. Total gross margin was 78% (H1 FY24: 79%). The full benefit of rationalising the Fresh Relevance tech stack post-acquisition will be seen in FY26.

### **EBITDA**

We are pleased that the Group achieved an adjusted EBITDA margin of 33% and an adjusted operating profit margin of 22% in the first half, which was in line with management expectations. Management manage the Group to these margins whilst driving revenue growth. All post acquisition cost savings from Fresh Relevance have now been realised and various other cost saving initiatives have been delivered to allow us to focus on go-to-market investment. Exceptional costs and adjustments to profit in the period are, as normal, driven by share based payments and the amortisation of acquired intangible assets, as well as some costs associated with closing our East Croydon office which was underutilised.

EBITDA growth of 11% to £13.8m (H1 FY24: £12.4m) is marginally ahead of our organic revenue growth.

### **Balance Sheet & Cash Position**

Dotdigital continues to generate strong cash flow from operations with an interim period end net cash balance of £45.7m. The Group’s historical strong cash generation has continued and so we retain strategic options, particularly involving opportunities to explore potential acquisitions of relevant adjacent technologies.

Cash management has been an increasing priority over the past 18 months such that we can optimise returns. We now use a mix of accounts at banks with the highest credit ratings to balance security, accessibility and interest income. Interest in the period increased to £0.8m vs £0.6m in H1 FY24, despite having a lower balance following our acquisition of Fresh Relevance.

The Group continues to prioritise product development and so we have increased spend broadly in line with revenue such that we spent c.£5.0m on development (compared to £4.4m in H1 FY24).

### **Dividend Policy**

A dividend of 1.1p per ordinary share (FY24: 1p) was proposed by the Company at the time of its Final Results in November last year, demonstrating a commitment from the Board to deliver value by focusing on total shareholder return. This dividend was approved by shareholders at the Annual General Meeting on 18 December 2024 and paid on 31 January 2025.

The Group will review the dividend at year end; therefore, in line with previous years the Board is not proposing an interim dividend. We expect to maintain our dividend policy of growing the full year dividend in line with EBITDA.

Dotdigital Group Plc

**Consolidated Income Statement**  
**For the six months ended 31 December 2024**

		6 months to 31 Dec 2024 Unaudited £'000s	6 months to 31 Dec 2023 Unaudited £'000s	12 months to 30 June 2024 Audited £'000s
	<i>Note</i>			
Revenue from contracts with customers	4	42,365	38,745	78,973
Cost of sales		<u>(9,258)</u>	<u>(8,022)</u>	<u>(16,177)</u>
Gross profit	4	33,107	30,723	62,796
Other income	5	390	-	-
Administrative expenses		<u>(24,269)</u>	<u>(22,358)</u>	<u>(47,222)</u>
<b>Operating profit from operations pre share based payments, amortisation of acquired intangibles and exceptional costs</b>		<b>9,228</b>	<b>8,365</b>	<b>15,574</b>
Share based payments		(477)	(364)	(1,219)
Amortisation of acquired intangibles		(893)	(571)	(1,462)
Exceptional costs	8	<u>(273)</u>	<u>(629)</u>	<u>(973)</u>
<b>Operating profit</b>		<b>7,585</b>	<b>6,801</b>	<b>11,920</b>
Finance income		852	608	1,351
Finance costs		<u>(77)</u>	<u>(27)</u>	<u>(88)</u>
<b>Profit before income tax</b>		<b>8,360</b>	<b>7,382</b>	<b>13,183</b>
Income tax expense		<u>(2,054)</u>	<u>(1,346)</u>	<u>(2,117)</u>
<b>Profit for the period attributable to the owners of the Company</b>		<b><u>6,306</u></b>	<b><u>6,036</u></b>	<b><u>11,066</u></b>
<b>Earnings per share (pence per share)</b>				
Basic	7	2.05	1.99	3.62
Diluted	7	2.00	1.95	3.54
Adjusted basic	7	2.58	2.50	4.82
Adjusted diluted	7	2.52	2.46	4.71

Dotdigital Group Plc

Consolidated Statement of Comprehensive Income  
For the six months ended 31 December 2024

	6 months to 31 Dec 2024 Unaudited <i>note</i> £'000s	6 months to 31 Dec 2023 Unaudited £'000s	12 months to 30 June 2024 Audited £'000s
<b>Profit for the period</b>	6,306	6,036	11,066
<b>Other comprehensive (expense)/income</b>			
Items that may be subsequently reclassified to profit and loss:			
Exchange differences on translating foreign operations	<u>(3)</u>	<u>(42)</u>	<u>(27)</u>
<b>Total comprehensive income attributable to:</b>			
<b>Owners of the parent</b>	4 <b>6,303</b>	<b>5,994</b>	<b>11,039</b>

Dotdigital Group Plc

Consolidated Statement of Financial Position  
As at 31 December 2024

	<i>Note</i>	As at 31 Dec 2024 Unaudited £'000s	As at 31 Dec 2023 Unaudited £'000s	As at 30 June 2024 Audited £'000s
<b>Assets</b>				
<i>Non-current assets</i>				
Goodwill		22,278	22,175	22,278
Intangible assets		37,578	37,236	37,556
Property, plant and equipment		2,404	2,276	3,568
		<u>62,260</u>	<u>61,687</u>	<u>63,402</u>
<i>Current assets</i>				
Trade and other receivables		18,429	17,050	18,011
Tax recoverable		584	-	-
Cash and cash equivalents		45,681	37,149	42,160
		<u>64,694</u>	<u>54,199</u>	<u>60,171</u>
<b>Total assets</b>	<b>4</b>	<b><u>126,954</u></b>	<b><u>115,886</u></b>	<b><u>123,573</u></b>
<b>Equity attributable to the owners of the parent</b>				
Called up share capital	10	1,538	1,536	1,538
Share premium		12,786	12,786	12,786
Reverse acquisition reserve		(4,695)	(4,695)	(4,695)
Share-based payment reserve		3,144	2,225	2,835
Retranslation reserve		228	216	231
Retained earnings		89,024	80,292	82,505
<b>Total equity</b>		<b><u>102,025</u></b>	<b><u>92,360</u></b>	<b><u>95,200</u></b>

Dotdigital Group Plc

**Consolidated Statement of Financial Position**  
**As at 31 December 2024**

	As at 31 Dec 2024 Unaudited £'000s	As at 31 Dec 2023 Unaudited £'000s	As at 30 June 2024 Audited £'000s
<b>Liabilities</b>			
<i>Non-current liabilities</i>			
Lease liabilities	1,449	1,153	2,334
Deferred tax	5,748	6,688	6,330
	<u>7,197</u>	<u>7,841</u>	<u>8,664</u>
<i>Current liabilities</i>			
Trade and other payables	17,279	14,743	18,348
Lease liabilities	453	634	746
Current tax payable	-	308	615
	<u>17,732</u>	<u>15,685</u>	<u>19,709</u>
<b>Total liabilities</b>	<u><b>24,929</b></u>	<u><b>23,526</b></u>	<u><b>28,373</b></u>
<b>Total equity and liabilities</b>	<u><b>126,954</b></u>	<u><b>115,886</b></u>	<u><b>123,573</b></u>

Dotdigital Group Plc

Consolidated Statement of Changes in Equity  
For the six months ended 31 December 2024

	Share capital	Share premium	Reverse Acquisition Reserve	Share-based Payment Reserve	Re- translation Reserve	Retained Earnings	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>As at 1 July 2023</b>	<b>1,496</b>	<b>7,124</b>	<b>(4,695)</b>	<b>2,591</b>	<b>258</b>	<b>73,536</b>	<b>80,310</b>
Profit for the period	-	-	-	-	-	6,036	6,036
Retranslation reserve	-	-	-	-	(42)	-	(42)
Issue of share capital	40	5,662	-	-	-	-	5,702
Reserve Transfer	-	-	-	(720)	-	720	-
Deferred tax on share options	-	-	-	6	-	-	6
Share based payments	-	-	-	348	-	-	348
<b>As at 31 December 2023</b>	<b>1,536</b>	<b>12,786</b>	<b>(4,695)</b>	<b>2,225</b>	<b>216</b>	<b>80,292</b>	<b>92,360</b>
As at 1 January 2024	1,536	12,786	(4,695)	2,225	216	80,292	92,360
Profit for the period	-	-	-	-	-	5,030	5,030
Dividends	-	-	-	-	-	(3,066)	(3,066)
Retranslation reserve	-	-	-	-	15	-	15
Reserve Transfer	-	-	-	(249)	-	249	-
Issue of share capital	2	-	-	-	-	-	2
Deferred tax on share options	-	-	-	10	-	-	10
Share based payments	-	-	-	849	-	-	849
<b>As at 30 June 2024</b>	<b>1,538</b>	<b>12,786</b>	<b>(4,695)</b>	<b>2,835</b>	<b>231</b>	<b>82,505</b>	<b>95,200</b>
As at 1 July 2024	1,538	12,786	(4,695)	2,835	231	82,505	95,200
Profit for the period	-	-	-	-	-	6,306	6,306
Retranslation reserve	-	-	-	-	(3)	-	(3)
Reserve transfer	-	-	-	(213)	-	213	-
Deferred tax on share options	-	-	-	48	-	-	48
Share based payments	-	-	-	474	-	-	474
<b>As at 31 December 2024</b>	<b>1,538</b>	<b>12,786</b>	<b>(4,695)</b>	<b>3,144</b>	<b>228</b>	<b>89,024</b>	<b>102,025</b>

**Consolidated Statement of Changes in Equity  
For the six months ended 31 December 2024**

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- Share capital is the amount subscribed for shares at nominal value.
- Share premium represents the excess of the amount subscribed for Share Capital over the nominal value net of the share issue expenses.
- Retained earnings represents the cumulative earnings of the Group attributable to equity shareholders.
- The reverse acquisition reserve relates to the adjustment required to account the reverse acquisition in accordance with International Financial Reporting Standards.
- Share-based payment reserve relates to the charge for the share-based payments in accordance with International Financial Reporting Standard 2. The reserve transfer in the period relates to lapsed share options.
- Retranslation reserve relates to the retranslation of a foreign subsidiary into the functional currency of the Group.



Dotdigital Group Plc

Consolidated Statement of Cash Flows  
For the six months ended 31 December 2024

		6 months to 31 Dec 2024 Unaudited £'000s	6 months to 31 Dec 2023 Unaudited £'000s	12 months to 30 June 2024 Audited £'000s
	<i>note</i>			
<b>Cash flow from operating activities</b>	<b>9</b>	<b>12,103</b>	<b>9,078</b>	<b>23,212</b>
Interest paid		(77)	(27)	(88)
Tax paid		(3,787)	(1,295)	(2,057)
<b>Net cash generated from operating activities</b>		<b>8,239</b>	<b>7,756</b>	<b>21,067</b>
<b>Cash flow from investing activities</b>				
Purchase of subsidiary net of cash acquired		-	(18,325)	(18,325)
Additional consideration for repayment of debts at acquisition		-	(607)	(607)
Purchase of intangible fixed assets		(5,033)	(4,365)	(9,709)
Purchase of property, plant and equipment		(60)	(65)	(195)
Interest received		852	608	1,351
<b>Net cash used in investing activities</b>		<b>(4,241)</b>	<b>(22,754)</b>	<b>(27,485)</b>
<b>Cash flows from financing activities</b>				
Equity dividends paid		-	-	(3,066)
Payment of leasing liabilities		(474)	(493)	(1,012)
Proceeds from share issues		-	6	7
<b>Net cash used in financing activities</b>		<b>(474)</b>	<b>(487)</b>	<b>(4,071)</b>
Increase/(Decrease) in cash and cash equivalents		3,524	(15,485)	(10,489)
Cash and cash equivalents at beginning of period		42,160	52,676	52,676
Effect of foreign exchange rate changes		(3)	(42)	(27)
<b>Cash and cash equivalents at end of period</b>		<b>45,681</b>	<b>37,149</b>	<b>42,160</b>

**Dotdigital Group Plc**  
**Notes to interim financial statements**  
**For the six months ended 31 December 2024**

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**1. GENERAL INFORMATION**

Dotdigital Group Plc is a company incorporated in England and Wales and quoted on the AIM market.

**2. BASIS OF INFORMATION**

These consolidated interim financial statements have been prepared in accordance with UK-adopted International Accounting Standards ('IAS') and on a historical basis, using the accounting policies which are consistent with those set out in the Group's annual report and accounts for the year ended 30 June 2024. The interim financial information for the six months to 31 December 2024, which complies with IAS 34 'Interim Financial Reporting' has been approved by the Board of Directors on 24 February 2025.

The unaudited interim financial information for the period ended 31 December 2024 does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. The comparative figures for the year ended 30 June 2024 are extracted from the statutory financial statements which have been filed with the Registrar of Companies and contain an unqualified audit report and did not contain statements under Section 498 to 502 of the Companies Act 2006.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 June 2024, as described in those financial statements.

# Dotdigital Group Plc

## Notes to interim financial statements For the six months ended 31 December 2024

### 4. SEGMENTAL REPORTING

The Group's single line of business is the provision of data-driven omnichannel marketing automation. The chief operating decision maker considers the Group's reportable segments to be by geographical location this being EMEA, US and APAC operations as shown below:

#### Geographical revenue and results

	6 months to 31 December 2024			
	EMEA Operations £'000s	US Operations £'000s	APAC Operations £'000s	Total £'000s
<b>Income statement</b>				
Revenue	31,346	6,801	4,218	42,365
Gross profit	23,138	6,074	3,895	33,107
Profit before income tax	6,953	1,062	345	8,360
<b>Total comprehensive income attributable to the owners of the parent</b>	4,724	990	589	6,303
<b>Financial position</b>				
Total assets	116,634	9,061	1,259	126,954
Net current assets	43,128	3,060	774	46,962
<b>6 months to 31 December 2023</b>				
	EMEA Operations £'000s	US Operations £'000s	APAC Operations £'000s	Total £'000s
<b>Income statement</b>				
Revenue	29,295	5,853	3,597	38,745
Gross profit	22,247	5,232	3,244	30,723
Profit/(Loss) before income tax	7,073	524	(215)	7,382
<b>Total comprehensive income attributable to the owners of the parent</b>	5,721	504	(231)	5,994
<b>Financial position</b>				
Total assets	105,785	7,087	3,014	115,886
Net current assets	32,025	4,678	1,811	38,514

## Dotdigital Group Plc

### Notes to interim financial statements For the six months ended 31 December 2024

#### 4. SEGMENTAL REPORTING (CONTINUED...)

	12 months to 30 June 2024			
	EMEA Operations £'000s	US Operations £'000s	APAC Operations £'000s	Total £'000s
<b>Income statement</b>				
Revenue	59,731	12,082	7,160	78,973
Gross profit	45,576	10,737	6,483	62,796
Profit/(Loss) before income tax	12,390	1,159	(366)	13,183
<b>Total comprehensive income attributable to the owners of the parent</b>	10,690	991	(642)	11,039
<b>Financial position</b>				
Total assets	113,894	8,552	1,127	123,573
Net current assets	36,777	2,843	842	40,462

#### 5. OTHER INCOME

During the period ended 31 December 2024 the Group moved to the merged RDEC scheme, resulting in an above the line credit being recognised in other income. In the prior period the Group claimed for R&D relief under the SME scheme, which resulted in a below the line tax benefit.

#### 6. DIVIDENDS

The proposed final dividend of £3,375,000 for the year ended 30 June 2024 of 1.10p per share was paid on the 31 January 2025.

#### 7. EARNINGS PER SHARE

Earnings per share data is based on the consolidated profit using the weighted average number of shares in issue of the parent Company. Basic earnings per share are calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares. Adjusted earnings per share is based on the consolidated profit deducting the acquisition related exceptional costs and share-based payment.

Dotdigital Group Plc

Notes to interim financial statements  
For the six months ended 31 December 2024

7. EARNINGS PER SHARE (CONTINUED...)

A number of non-IFRS adjusted profit measures are used in the annual report and financial statements and in these interim financial statements. Adjusting items are excluded from our headline performance measures by virtue of their size and nature, in order to reflect management's view of the performance of the Group. Summarised below is a reconciliation between statutory results to adjusted results. The Group believes that alternative performance measures such as adjusted EBITDA are commonly reported by companies in the markets in which it competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation and amortisation, which can vary significantly depending upon accounting methods (particularly when acquisitions have occurred) or based on factors which do not reflect the underlying performance of the business. The adjusted profit after tax earnings measure is also used for the purpose of calculating adjusted earnings per share.

Reconciliations to earnings figures used in arriving at adjusted earnings per share are as follows:	6 months to 31 December 2024 £'000s	6 months to 31 December 2023 £'000s	12 months to 30 June 2024 £'000s
Profit for the year attributable to the owners of the parent	6,306	6,036	11,066
Amortisation of acquisition-related intangible fixed asset	893	571	1,462
Other exceptional costs	273	629	973
Share-based payment	477	364	1,219
<b>Adjusted profit for the year attributable to the owners of the parent</b>	<b>7,949</b>	<b>7,600</b>	<b>14,720</b>

Management does not consider the above adjustments to reflect the underlying business performance.

	6 months to 31 Dec 2024 Unaudited	6 months to 31 Dec 2023 Unaudited	12 months to 30 June 2024 Audited
Earnings per Ordinary share:			
Basic (pence)	2.05	1.99	3.62
Diluted (pence)	2.00	1.95	3.54
Adjusted basic (pence)	2.58	2.50	4.82
Adjusted diluted (pence)	<u>2.52</u>	<u>2.46</u>	<u>4.71</u>

**Dotdigital Group Plc**  
**Notes to interim financial statements**  
**For the six months ended 31 December 2024**

**7. EARNINGS PER SHARE (CONTINUED...)**

	to 31 Dec 2024	to 31 Dec 2023	to 30 June 2024
	Unaudited	Unaudited	Audited
	£'000s	£'000s	£'000s
<b>Profit for the period</b>			
<b>for the purpose of earnings</b>			
<b>per share:</b>			
<b>Basic</b>	6,306	6,036	11,066
<b>Adjusted</b>	<u>7,949</u>	<u>7,600</u>	<u>14,720</u>

Weighted average number of shares in issue as follows:

	6 months to 31 Dec 2024	6 months to 31 Dec 2023	12 months to 30 June 2024
	Unaudited	Unaudited	Audited
Weighted average number			
Basic	307,508,354	303,546,425	305,472,095
Diluted	<u>315,789,638</u>	<u>309,341,173</u>	<u>312,664,393</u>

The adjusted profit for the period, adjusted basic earnings per ordinary share and adjusted diluted earnings per ordinary share exclude exceptional costs £273,000 (2023: £629,000, FY24: £973,000), amortisation of acquired intangibles £893,000 (2023: £571,000, FY24: £1,462,000) and share based payments £477,000 (2023: £364,000, FY24: £1,219,000).

**8. EXCEPTIONAL COSTS**

Exceptional costs relate to the surrender of a lease £264,000 (2023: £nil, FY24 £nil), professional fees related to the valuation of share options and review of long-term incentive plan of £5,000 (2023: £9,000, FY24 £11,000), professional acquisition and due diligence fees £4,000 (2023: £477,000, FY24: £389,000), employers NI paid on the exercise of LTIPs by a member of the leadership team £nil (2023: £143,000, FY24: £143,000) and severance payment as a result of a departmental restructure £nil (2023: £nil, FY24: £430,000).

Dotdigital Group Plc

Notes to interim financial statements  
For the six months ended 31 December 2024

**9. RECONCILIATION OF PROFIT BEFORE CORPORATION TAX TO CASH GENERATED FROM OPERATIONS**

	6 months to 31 Dec 2024 Unaudited £'000s	6 months to 31 Dec 2023 Unaudited £'000s	12 months to 30 June 2024 Audited £'000s
<b>Profit before tax from all operations</b>	<b>8,360</b>	<b>7,382</b>	<b>13,183</b>
Adjustments for:			
Amortisation	5,011	4,123	9,142
Depreciation	481	525	985
Finance lease non-cash movement	37	118	265
Share-based payments	474	348	1,197
Finance income	(852)	(608)	(1,351)
Finance expense	77	27	88
Increase in trade receivables	(418)	(997)	(1,941)
(Decrease)/increase in trade payables	(1,067)	(1,840)	1,644
<b>Net cash from operations</b>	<b>12,103</b>	<b>9,078</b>	<b>23,212</b>

**10. CALLED UP SHARE CAPITAL**

During the period no shares were issued.

The issued share capital as at 31 December 2024 was 307,508,354 Ordinary Shares of £0.005 per share (2023: 307,257,960 Ordinary Shares of £0.005 per share, FY24: 307,508,354 Ordinary Shares of £0.005 per share).

**Dotdigital Group Plc**  
**Notes to interim financial statements**  
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**11. RELATED PARTY NOTE**

Transactions between the company and its subsidiaries, who are related parties, have been eliminated on consolidation and are not disclosed in this note.

**Key management remuneration:**

Key management include Directors and non-executive Directors

The remuneration paid for key management for employee services are as follows:

	6 months to 31 Dec 2024 Unaudited £'000s	6 months to 31 Dec 2023 Unaudited £'000s	12 months to 30 June 2024 Audited £'000s
Aggregate emoluments	439	401	1,288
Share-based payments on the LTIP options granted	89	114	313
Company contributions to money purchase pension scheme	17	13	27
	<b>545</b>	<b>528</b>	<b>1,628</b>

During the year ended 30 June 2024, the Chief Executive Officer was granted a PSP award over 626,787 shares while the Chief Finance Officer was granted an award over 346,382 PSP shares. These become exercisable subject to continued service and the Company's relative three-year total shareholder return and earnings per share in respect of the year ending 30 June 2026.

**12. SUBSEQUENT EVENTS TO 31 DECEMBER 2024**

As at the date of these statements and the date they were approved by the Board of Directors there were no such events to report.

Copies of this interim statement are available from the Company at its registered office at, No 1 London Bridge London, SE1 9BG. The interim financial information document will also be available on the Company's website [www.dotdigitalgroup.com](http://www.dotdigitalgroup.com).