

Digizuite realises 34% year-on-year ARR growth rate in 2022-H1

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Digizuite™ continues to focus on expanding the company's Annual Recurring Revenue (ARR), which has grown by 34%, from 28.0 MDKK in 2021-H1 to 37.4 MDKK at the end of 2022-H1.

KEY FEATURES 2022-H1

- Annual Recurring Revenue (ARR) increased 34% to 37.4M DKK end of 2022-H1 from 28.0M DKK end of 2021-H1
- Net ARR retention rate amounted to 118% over the last 12 months
- ARR churn rate amounted to 3% over the last 12 months
- Realized loss increased by 5.0 MDKK to 17.8 MDKK, compared to the same period last year.
- Record number of new customers with first customer in APAC region
- Strong pipeline growth with new Sales Qualified Leads doubled in 2022-H1 compared to 2021-H2

LETTER FROM THE CEO

Solid growth in Annual Recurring Revenue

During the first half of 2022, we made solid progress by growing our Annual Recurring Revenue with 5.3 MDKK, a new all-time high for H1. We acquired new customers and continued expanding the existing customer base. A strong US dollar had positive impact on the subscription value for the North American market, which is now 55% of total ARR.

We continue to show strong results in our Net Revenue Retention, which is at 118%, well above our 100% target. This shows our ability to retain and grow the existing customer base.

Despite the positive development on ARR growth, sales efficiency has not reached a desired level yet. A reorganized and strengthened sales force with sales management now reporting directly to CEO brings increased efficiency and cost savings.

Digizuite is well positioned to capture continued growth with a strong market position, strong growth in lead generation, a strengthened organization, new product launches and increasing engagement from our partner eco-system. Partners contribute with approx. 40% of net new ARR in 1H, which is very important for accelerating the total revenue.

Increasing profit with signification potential

Gross profit increased by 17% in H1, from 8.1 MDKK to 9.5 MDKK. We estimate a potential to reduce Cloud costs by 20-40% over next 1-2 years period with some positive effect already in 2H22. This will have positive impact on gross margin and cash flow going forward. This focus area is prioritized in our product roadmap, with the refactoring of services.

Expectations and guidance

Market conditions continue to be attractive as more organizations adopt DAM technology. We need to be aware that the world economic situation, in general, will increase future uncertainty. As a result of the uncertainties and the company's limited capital resources, we have put in place further cost and cash management measures.

The company guidance for 2022 remains at 40-45 MDKK in Annual Recurring Revenue.

STATEMENT FROM THE CHAIRMAN

Since the IPO in 2021, Digizuite has focused on building momentum for accelerated growth and realization of the company's global potential.

Strategy execution

We have so far executed successfully on large parts of the strategy and Digizuite's pipeline and product portfolio are stronger than ever before. Building the company has required substantial investments in all parts of the business. We have now reached a point where the organization has the power and the capabilities to deliver on accelerated growth, which were one of the main goals from the IPO.

The growth strategy from the IPO indicated that profitability would not be achieved before the end of 2024 because of heavy investments in the go-to-market activities, the product and the global footprint.

During the last 1½ years, we've seen changes in the economic situation due to Covid and the war in Ukraine. Both which have increased global supply chain challenges and brought on the fear of a recession. At the same time, we see that the capital market has experienced much more uncertainty.

Cashflow

We expect to manage the cash flow in 2022 within our existing capital resources and external credit facilities. In addition, the majority of customers subscriptions are renewed at the end of the year, delivering a positive cash flow in the beginning of 2023.

The Board is expecting execution on a plan to reach positive EBITDA and cash at least 1 year before the original plan, which means end of 2023.

The foundation of Digizuite is build upon a great and passionate team, an amazing and very competitive DAM product, fantastic customers and partners and finally strong and supporting investors. I want to thank all of them for their continued support.

Going forward, we continue to pursue the growth ambition and guidance for 2022 and the years to come.

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About Digizuite A/S

Digizuite is a SaaS company in [Digital Asset Management software \(DAM\)](#) that streamlines all digital content in one central platform. Through automated workflows and agile integrations, Digizuite removes manual workflows and streamlines the entire content value chain. Customers choose Digizuite to have control over who, where, and how corporate materials are used. It ensures brand control, risk reduction and helps to increase efficiency and revenue.

Digizuite is a global company that has realized 600% growth in ARR between 2017 and 2020. Today, the company has more than 70 employees between its headquarters in Denmark and its subsidiaries in the United States, United Kingdom, Belgium, and Ukraine.

Attachments

- [Download announcement as PDF.pdf](#)
- [H1 2022 - Report.pdf](#)