

# Dotdigital Group PLC

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## Dotdigital augmenting organic growth with shrewd acquisitions

A presence on some the major online platforms, such as world number one Magento, has been behind bulk emailer dotdigital PLC's (LON:DOTD) impressive performance.

Group revenue rose 25% to £18.8m in the six months to the end of 2017 from £15.0m in the first half of the year, with organic revenue growth clocking in at 17% to £17.5m from £15.0m in the first half.

**READ:** dotdigital's growth surge continues

International sales represented a quarter of all sales, with overseas revenues up 22% from the first half of the year. Revenue from the US region was up roughly 44% to US\$3.3m from US\$2.3m in the first six months of 2017, driven by dotdigital's channel partners and system integrators for Magento and Shopify.

Sales in the Asia Pacific shot up, albeit from a small base, to roughly A\$0.9m from A\$0.5m.

The group's underlying earnings (EBIT) were in line with management's expectations. The cash balance at the end of the year was £10.5m, reflecting cash outflow of £11.5m for the acquisition and funding of Comapi during the period.

**Comapi bedding in nicely**

Acquired in November 2017 for £11m in cash, Comapi is a fast-growing business focused on the omni-channel messaging and cloud communication market.

Comapi has built a scalable software platform that allows businesses to communicate with their consumers across multiple conversational messaging channels including the growing market for live chat.

Integration into the dotdigital platform will enable dotdigital to deliver aligned conversational messaging across channels including email, mobile push, SMS, Facebook messenger, Apple business messenger, Twitter and live chat.

"In acquiring Comapi, we have taken a significant step toward creating a fully-fledged, omnichannel marketing automation platform," said Milan Patel, the chief executive officer of dotdigital.

**What dotmailer does**

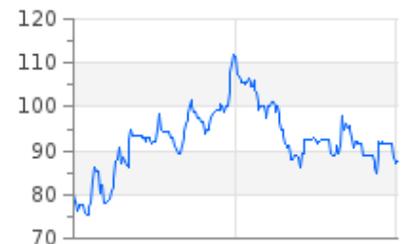
According to the brochure, dotmailer provides marketers a single solution to message customers through email, mobile and social media and other electronic forms. The dotmailer platform and tools share data seamlessly with clients' customer relations management (CRM), eCommerce and third party applications, with a managed service if required.

"The dotmailer platform continues to evolve and innovate, providing highly sophisticated yet 'easy-to-use' marketing

**Price:** 87.7

**Market Cap:** £261.37 m

### 1 Year Share Price Graph



December 2018 June 2019 December 2019

### Share Information

**Code:** DOTD

**Listing:** AIM

**52 week High Low**  
114 74

**Sector:** Media

**Website:** [www.dotdigitalgroup.com](http://www.dotdigitalgroup.com)

### Company Synopsis:

*dotDigital Group Plc ("dotDigital or the Group") has grown to become a leader in the provision of intuitive Software as a service ('SaaS') products for digital marketing professionals. These products include the Group's email marketing platform, dotMailer and an online survey offering. dotDigital is traded in the ISDX Exchange HERE.*

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automation tools that empower our clients and this we believe is part of the true essence of our continued success," Patel said.

"Alongside our organic growth strategy, we will continue to look for acquisitions of an earnings enhancing or strategic nature that could add to dotmailer's platform capabilities."

The new general data protection regulation will change the rules

During the latter half of 2017, the group launched additional features to help customers achieve compliance with the new general data protection regulation (GDPR).

"As GDPR implementation moves closer, we are increasing our efforts to educate the market through our seminar programme and by highlighting the additional features now available on our platform to help achieve compliance with the expected new regulations that come into force in May 2018," Patel said.

Premium rating justified by growth opportunities

Like revenues, the share price has also been growing, though it is not the most traded share on the market.

Over the past twelve months, the shares have risen about 50% to 89p, valuing the group at £266m.

House broker finnCap said the half-year results represented a positive trading update.

"With cash of £10.5m the group retains the wherewithal to pursue all strategic opportunities, including further acquisitions. We lift our target price to 115p, a premium rating worthy of consistent strong delivery," the broker said.

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