



Interim Results Presentation

Peter Simmonds, Simone Barratt & Milan Patel

February 2015

Board restructure

Experienced executive management team complimented by a non-executive board with significant AIM Public Company experience and industry knowledge

Executive Board



Simone Barratt
CEO



Peter Simmonds, FCCA
Deputy CEO



Milan Patel, ACCA, ACSI
CFO &
Company Secretary

Non-Executive Board



Simon Bird
President & Co-Founder



'Tink' Ian Taylor
President & Co-Founder



Frank Beechinor-Collins
Non-Executive Chairman



Richard Kellett-Clarke
Non-Executive Director

Key trading highlights

6 months to 31/12/2014

Top Line Revenue growth

32% increase in top line. From £7.6m to £10m.

Solid financial performance

Half year EBITDA £3.3m – In line with market expectations.

Strong cash position

£9.5m at 31 December 2014 after capital expenditure and product development of £1.3m.

Continued growth in new business

Performance due to continued strong new business sales and growth in recurring monthly revenues from dotmailer.

Investment in Platform

New multi-channel automation features released.

Dividend of 0.2 pence per share

Dividend Paid at the end of January 2015

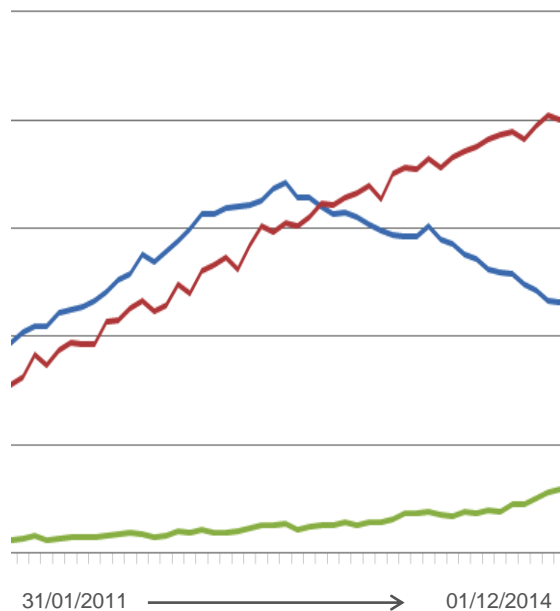
Average monthly recurring revenues increase

40% increase c.f. H1 2013/14. £284 to £400.

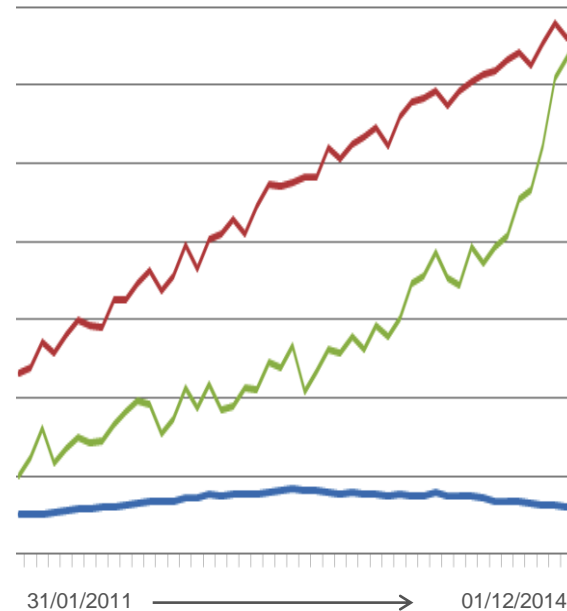
Continued focus on the mid-market sector

Lifetime value of a mid market client is 10x that of the micro business. Whilst sends volume are highest in the Corporate / Enterprise segments this tends to be at the expense of rates per million

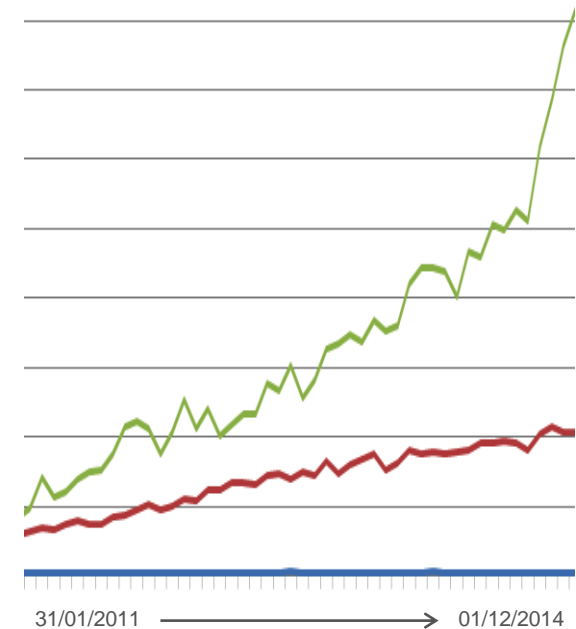
Customers by Band



Monthly Send Value per Band



Volume per Band



Key to all 3 graphs. Average monthly spend — £1-100 — £101 - 1000 — £ 1001+

Financials

Key financials

Trading performance

Continuing Operations

	Dec '14 £'M	Dec '13 £'M	Growth %
Revenue	10.0	7.6	32%
Cost of Sales	(1.2)	(0.5)	
Gross Profit	8.8	7.1	24.7%
Administrative Expenses	(6.3)	(4.9)	
Operating profit	2.5	2.2	17.5%
EBITDA	3.3	2.7	22.0

Statement of financials

Position (Balance Sheet)

	Dec '14 £'M	Dec '13 £'M
Assets	5.0	3.9
Other Current Assets	4.6	3.1
Cash	9.5	7.3
Total Assets	19.1	14.3
Non Current Liabilities	0.3	-
Current Liabilities	2.2	2.0
Total Liabilities	2.6	2.0
Net Assets	16.5	12.3

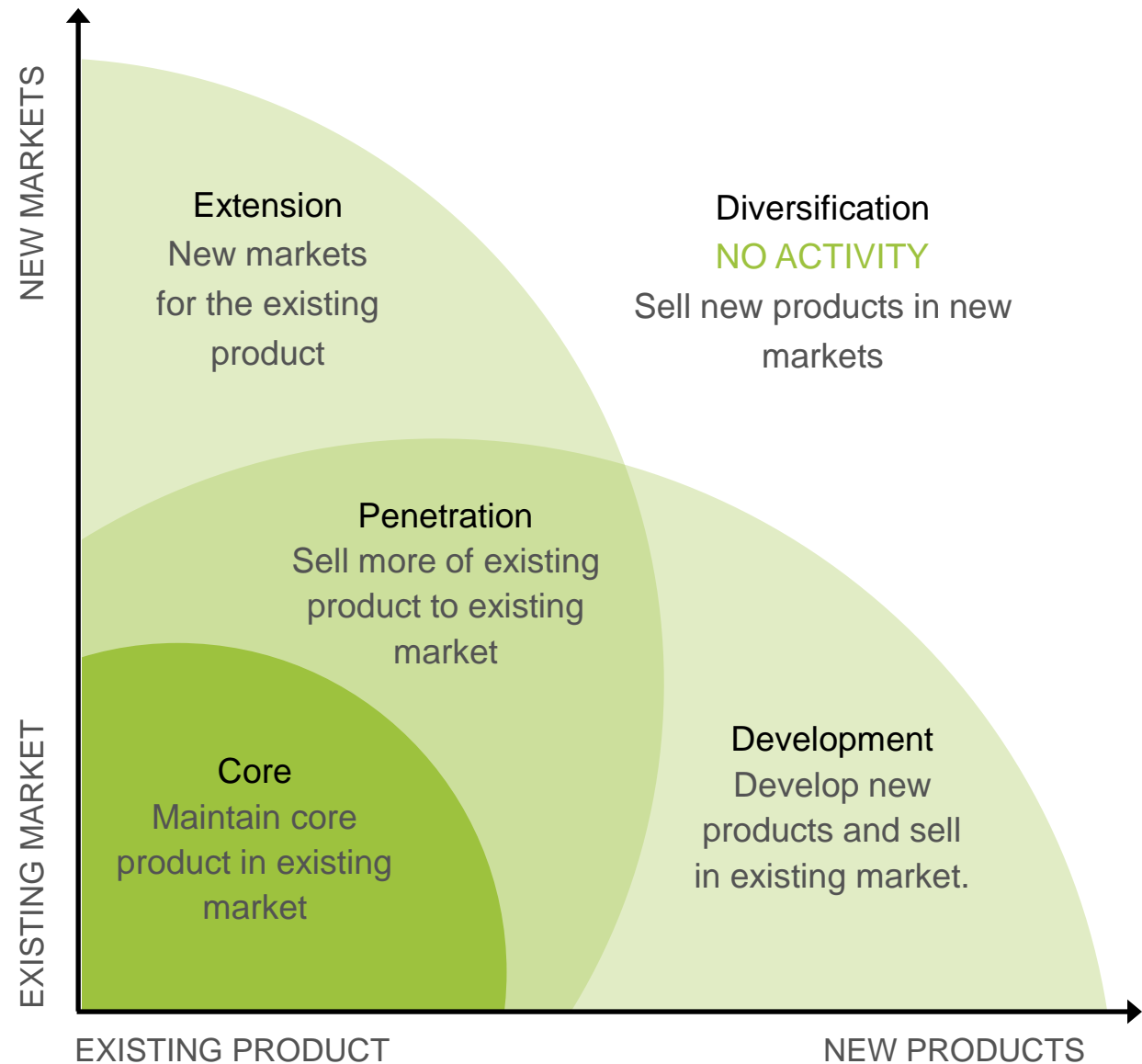
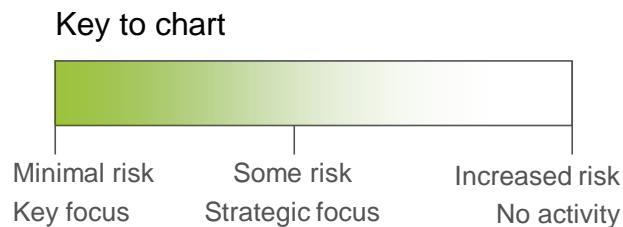
Cashflow

	Dec '14 £'M	Dec '13 £'M
Net cash generated from operations	1.4	2.0
Net cash used in investing activities	1.3	0.8
Net cash generated from financing activities	0.1	0.1
Cash and cash equivalents at beginning of period	9.3	6.0
Cash and cash equivalents at end of period	9.5	7.3

Strategic focus

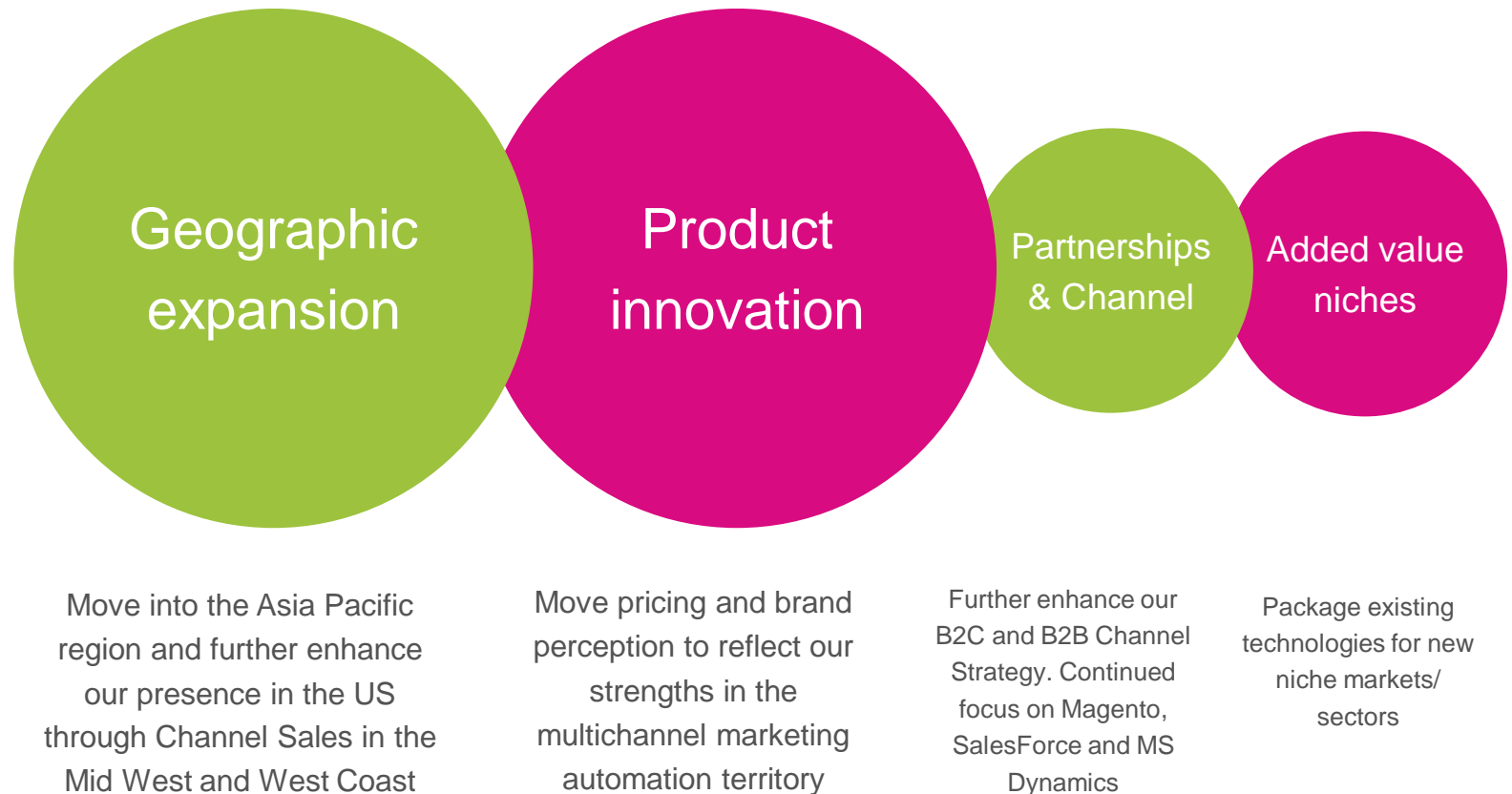
Retaining our core customers... Capitalising on new opportunities

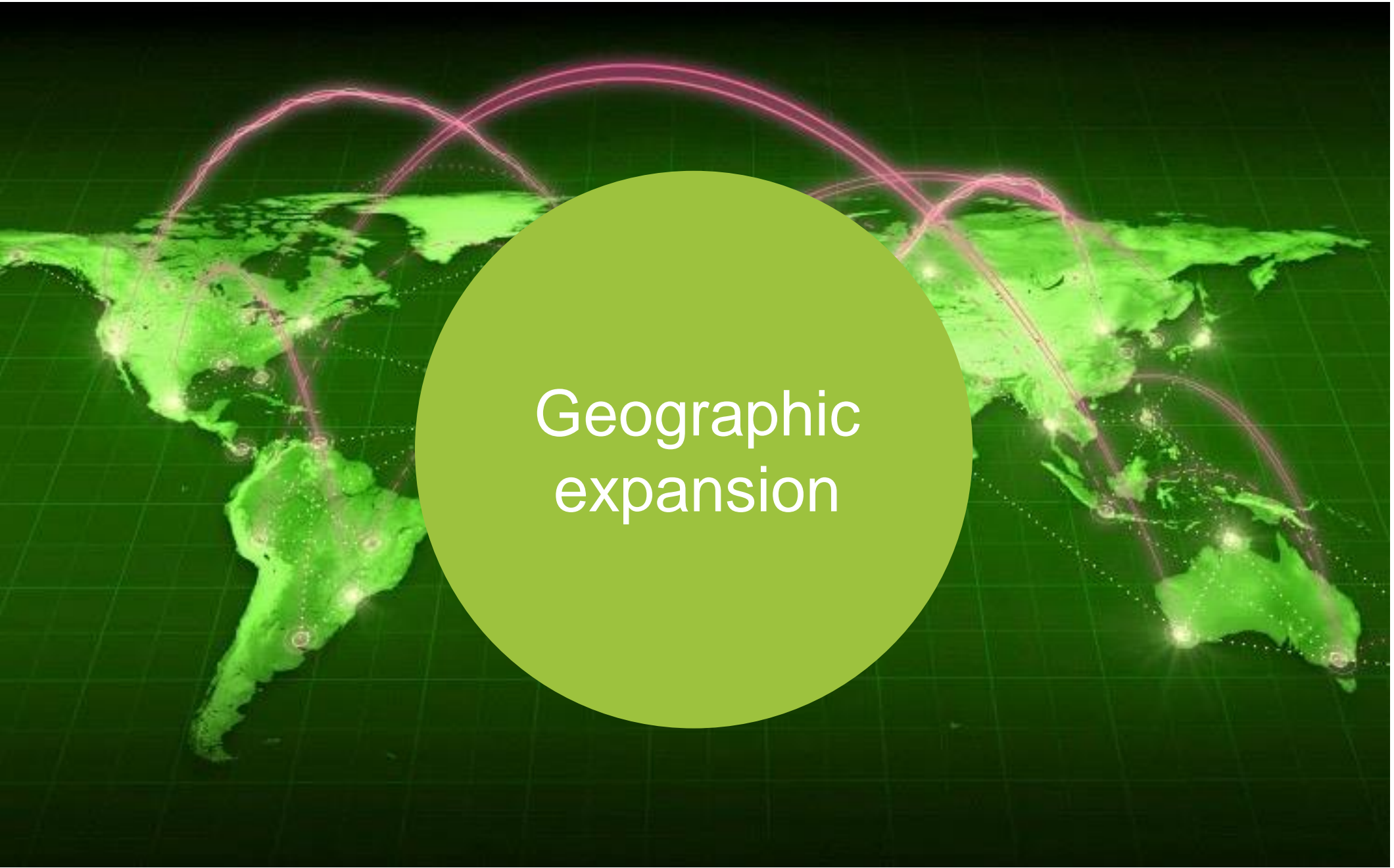
The areas of our strategic focus ensure the existing customers are retained, with future growth coming from low risk areas



Key areas of focus

Our goals and strategy for 2014/2015 is a development of the three-year strategic plan launched in October 2013. It aims to deliver shareholder value by profitable growth and product innovation





Geographic expansion

Geographic expansion



US success and growth plans

PHASE 1 RATIONALE

- New York model focussed on selling the Magento connector via Magento System Integrator channel
- Magento have 45% (and still growing) of eCommerce market
- dotmailer is one of only 4 Gold Standard ESP partners

PHASE 2 PLAN

- Extend US operations by focusing on Magento Channel sales in Mid West and West Coast
- Locations to mirror density of Magento System Integrators
- Service and support provided by hub in New York

	PHASE 1		PHASE 2
	2013	2014	2015-16
US offices	New York	New York	New York, Mid-West West coast
US employees	2	10	15-20 people
New clients signed in	22	111	10-20 per month
Average customer spend (\$)			
– Setup & Implementation	\$2k	\$3k	\$3k
– Recurring revenue	\$272 p/m	\$719 p/m	\$750 - \$800 p/m

Geographic expansion



US client list

Here are a few of the recent client wins in the US

creditsafe

VIZIO

LAURA DEVINE
SOLICITORS

WINEENTHUSIAST
MAGAZINE

Copa
Airlines

CANTOR
Pitzgerald

DUFF & PHELPS

Alex Woo
MADE IN NEW YORK

Other US clients include:

Verifone
Econsultancy
Fidelus Technologies LLC
Wurth USA Inc
Yankee Publishing Inc.
Times Square Alliance
Shergroup
Interactive Intelligence Inc.

Freedman International
Wateraid
Power Music
PowerPay
Precious Moments
Hockey Australia
Greentree International
Gretchen Scott Design

Brand Union
Old Mutual
Mobile Pulse
Mountbatten Institute
Munmin Group
Amazing Discoveries
Datamyx
Connecticut Lottery Corp



“I want to congratulate you.
You have a lot to be proud
of.”

Carly Rachman
Partner Development Manager
Magento



TECHNOLOGY PARTNER

Geographic expansion



AsiaPac expansion

RATIONALE

- Value of eCommerce market estimated to be over US \$37 billion
- Magento (eBay eCommerce platform) has 45 percent market share of eCommerce platforms in Australia
- AsiaPac is strategic focus for Magento
- High levels of adoption of email marketing. Highest spend of all digital channels
- Initiative led by seasoned dotdigital staff member

FUTURE PLANS

- Initial focus is Australia – then springboard into APAC
- Early due diligence confirms platform will be well received
- Market entry via Resellers – focus on resellers / channel partners with APAC reach



The launch in Australia will be headed by Rohan Lock, our current Head of Sales, who has a deep level of knowledge of both dotmailer and the Australian technology market.

Geographic expansion

Scaling the platform for global robustness

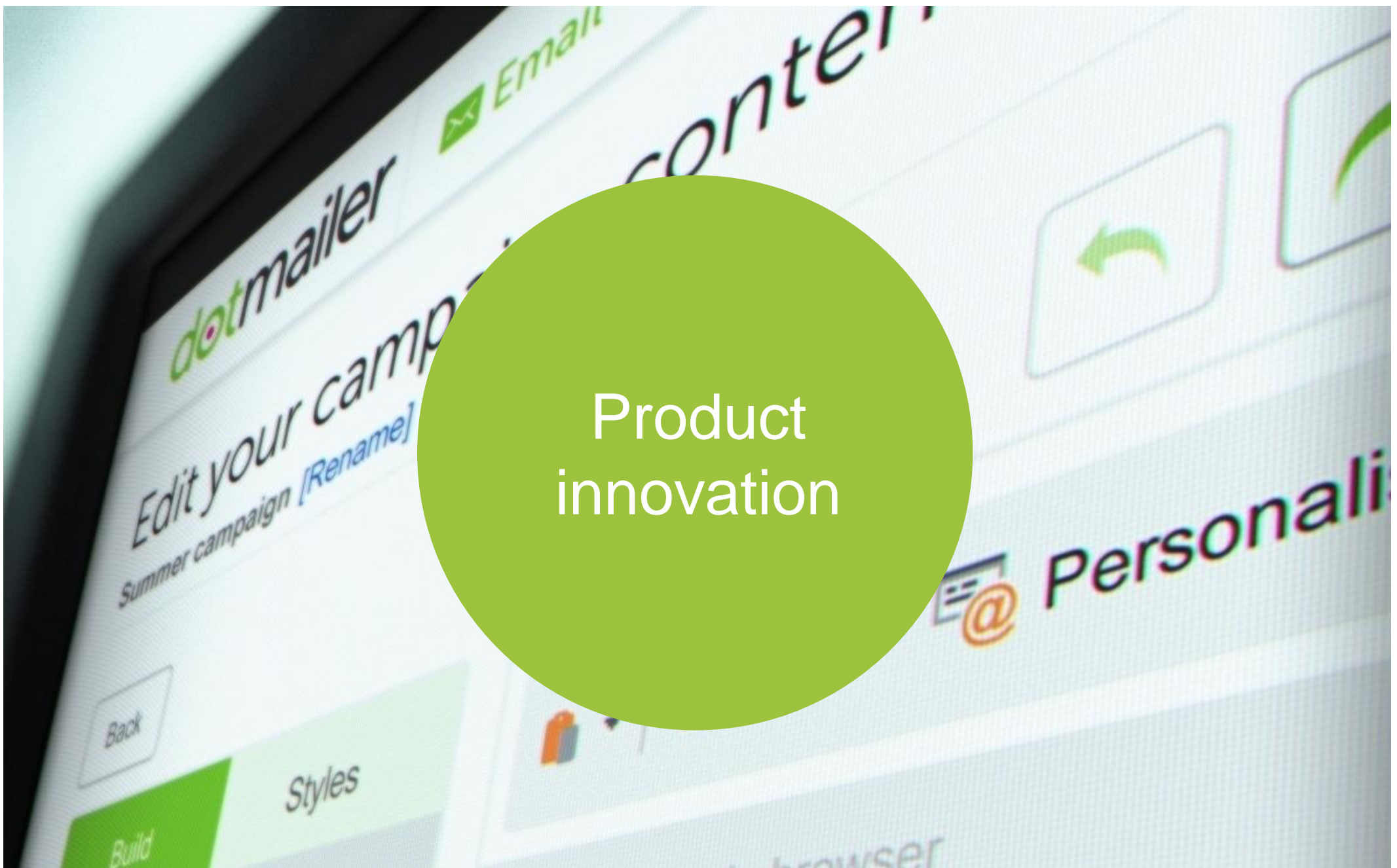
Move from 1 primary physical data centre in UK to a multi data centre environment using Hybrid Cloud Design. Cloud for storage. Local hardware for delivery

Rationale:

- Scalability & Reduced Business Risk
- Redundancy & Resilience
- Global data centre coverage
- Performance. Flexibility. Simplicity
- Continued control of IP reputation management
- Repeatable blueprint for regions
- Adaptable for localised data protection regulations
- Resource overhead for physical estate reduced



Planned locations for dotmailer cloud data centres are marked




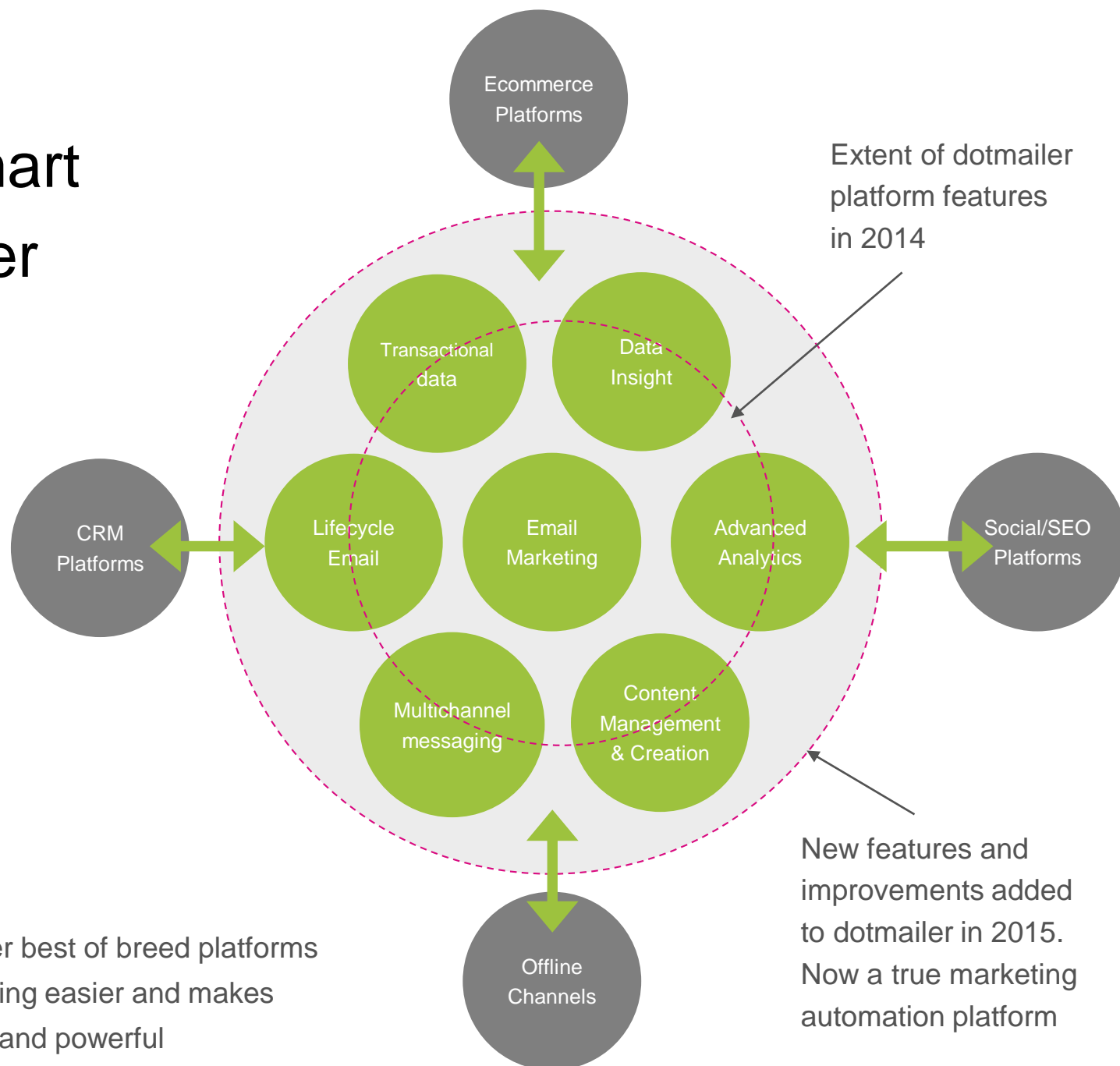
Product innovation

The platform is smart And getting smarter

The diagram shows how the dotmailer platform is constantly evolving and growing in the marketing automation space

- High speed of development
- Quarterly platform releases
- Clever innovations
- Well defined roadmap
- Platform built to extend outside the marketing automation cloud by key integrations

 = Key integrations with other best of breed platforms
= makes customer onboarding easier and makes dotmailer fully extendible and powerful



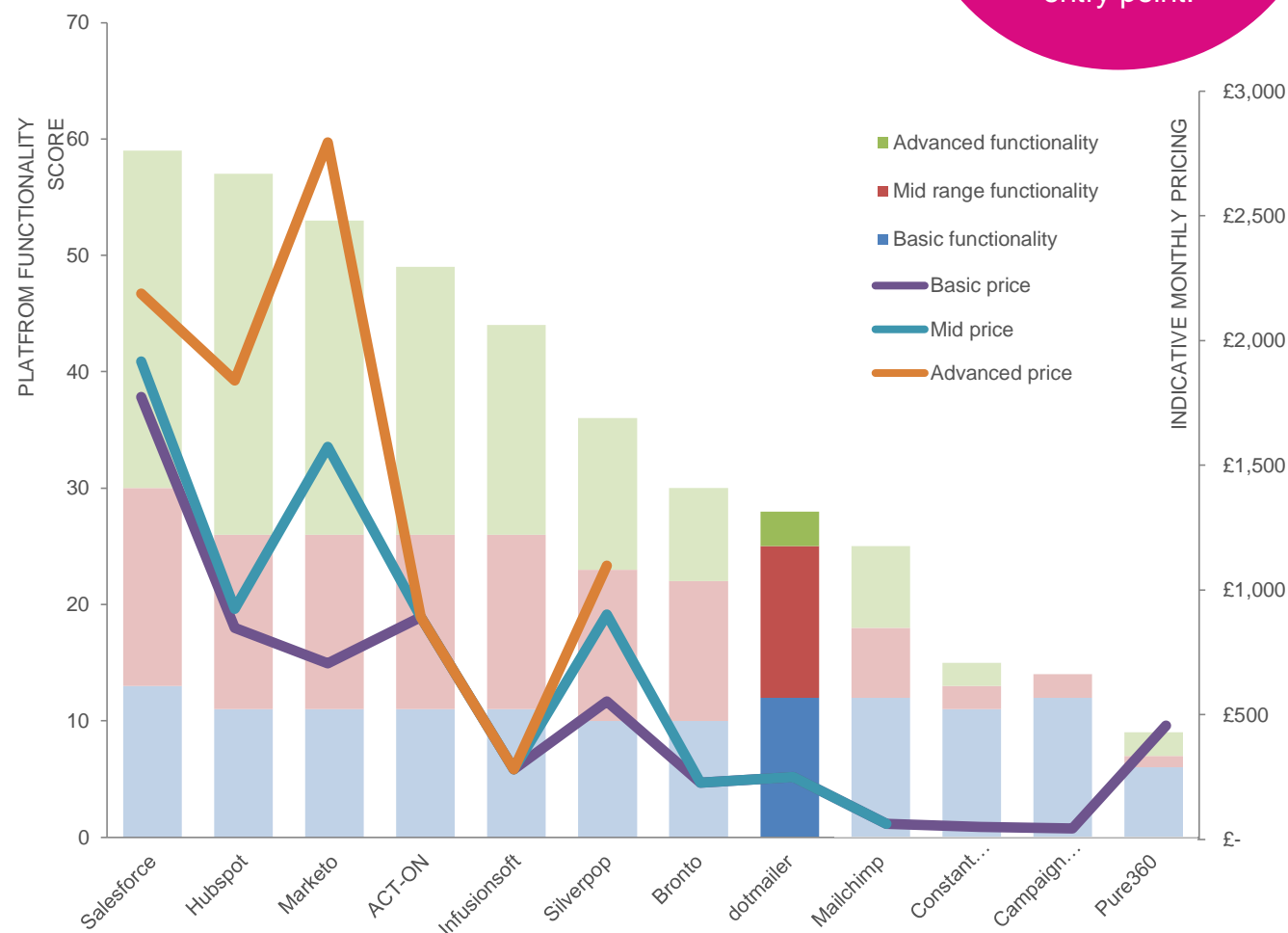
Product innovation

Our platform innovation is changing our market position

This table compares platform functionality and price with a representative cross section of the market and our competitors

NOTE ON THE SCORING

The bars represent how well the platform scored for email and marketing automation functionality. The lines represent an estimated price comparison for performing a typical months worth of marketing activity, based upon published pricing and using basic, mid range and advanced platform functionality



2014

Good functionality.

Mid market position.

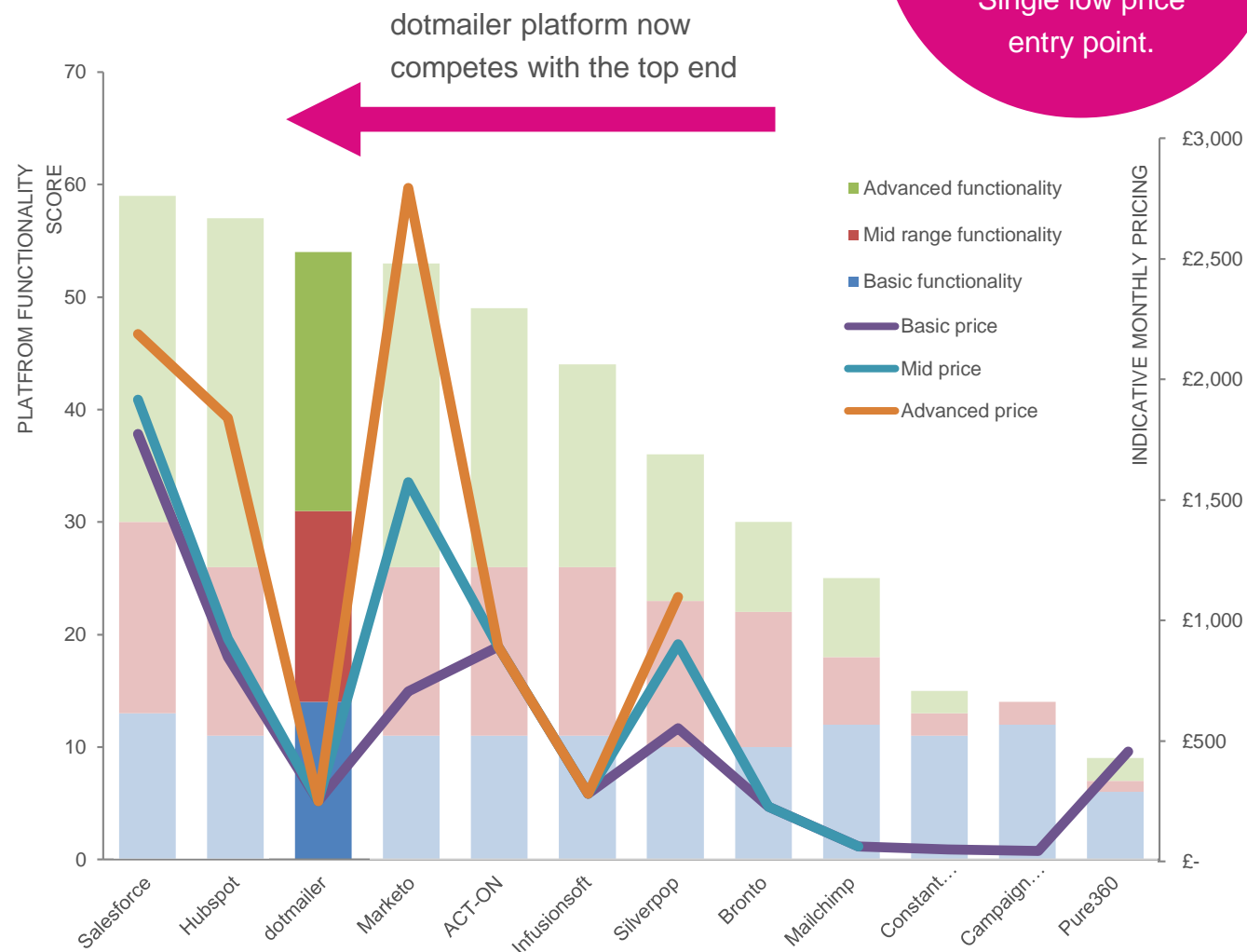
Single low price entry point.

Product innovation

Our platform innovation is changing our market position

- Raab Associates estimate marketing automation revenues of \$1.2 billion and predict growth at 60%
- Marketing automation companies revenues up 65% in 2014.
- Still low adoption – opportunity just beginning
- Key requirements match our
- USPs

- ✓ Low cost of entry
- ✓ Ease of use
- ✓ Ability/flexibility to integrate
- ✓ Technology advancements



2015

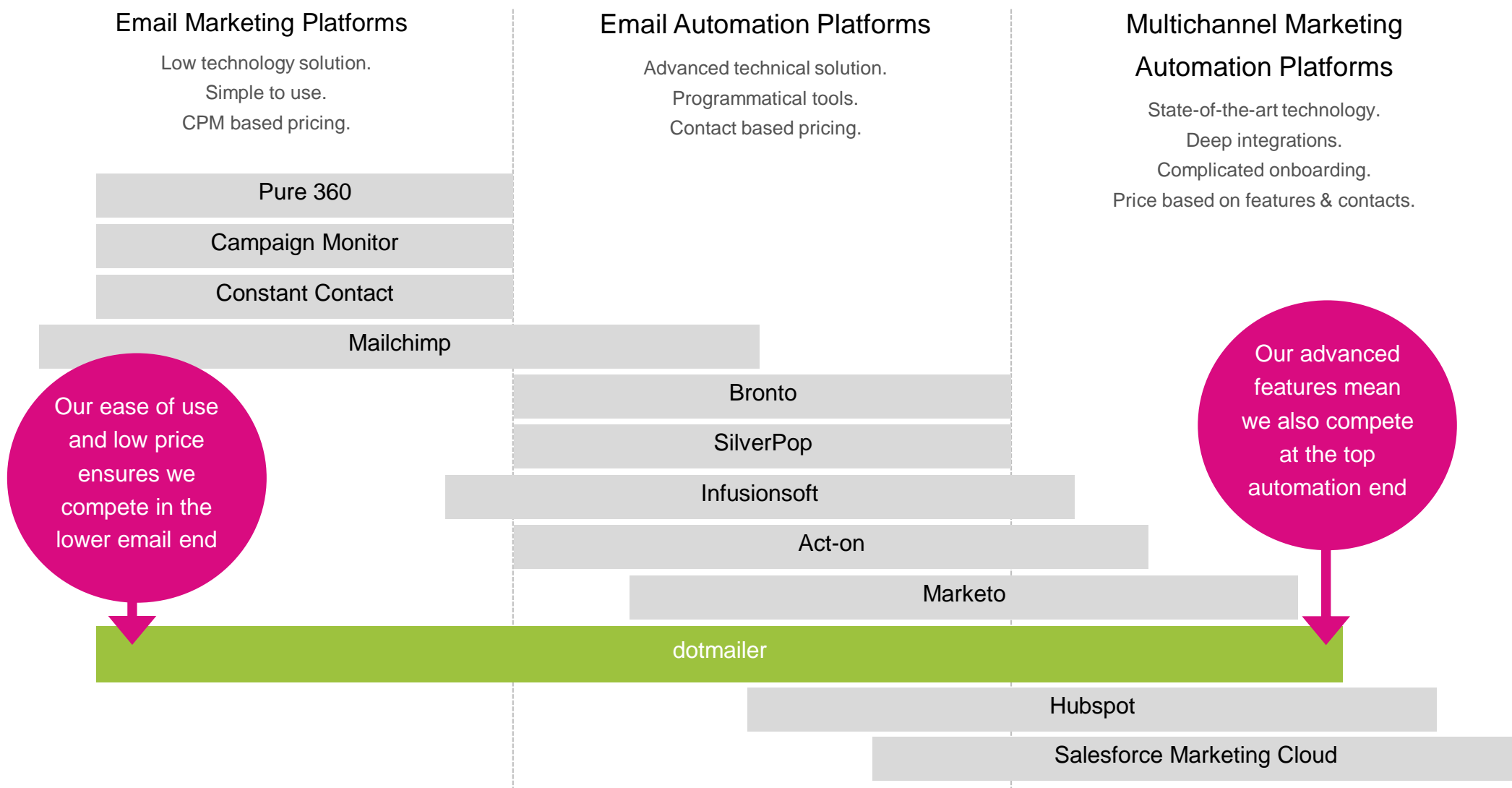
Advanced platform.

Top end of market.

Single low price entry point.

Product innovation

Customers join us. Then grow with us.





Partnerships & Channel

Partnership & Channel

Strategic relationships

Sustainable growth – internationally

We are committed to ensuring our integrations and connectors continue to deliver world-class performance to our customers

Our partner network already provides service in every corner of the world. We are committed to strengthening these relationships through expansion of our international reach and global channel program



And many more...

Partnership & Channel

Built to play with other platforms

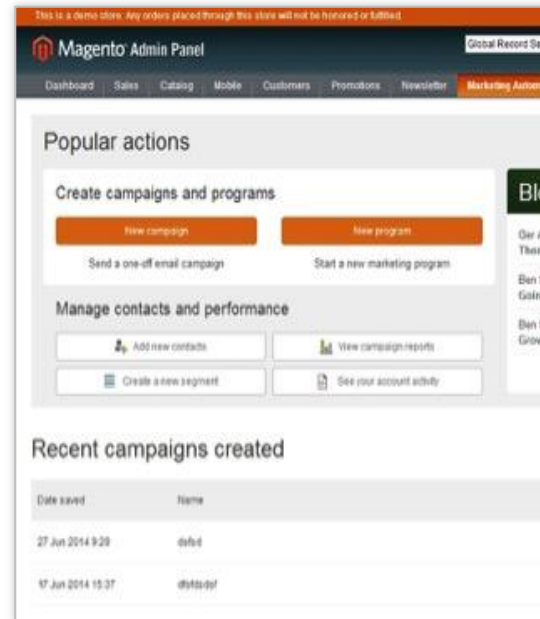
Rationale for Focus:

B2C

- Magento - 45% market share of retailers, ecommerce platforms growing at 30%

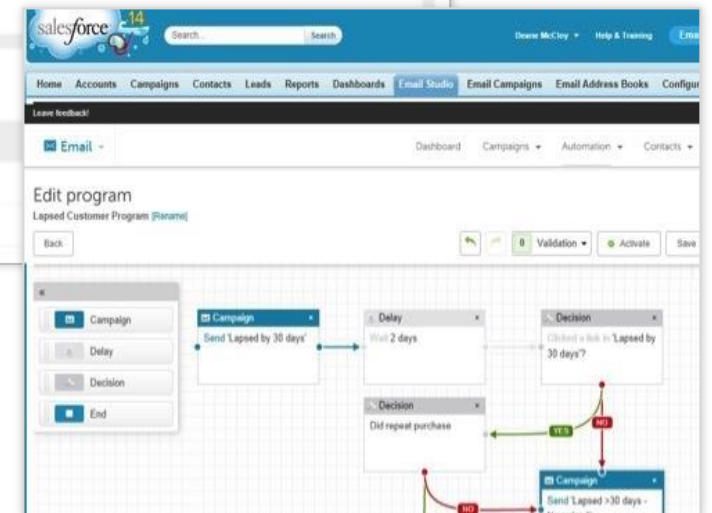
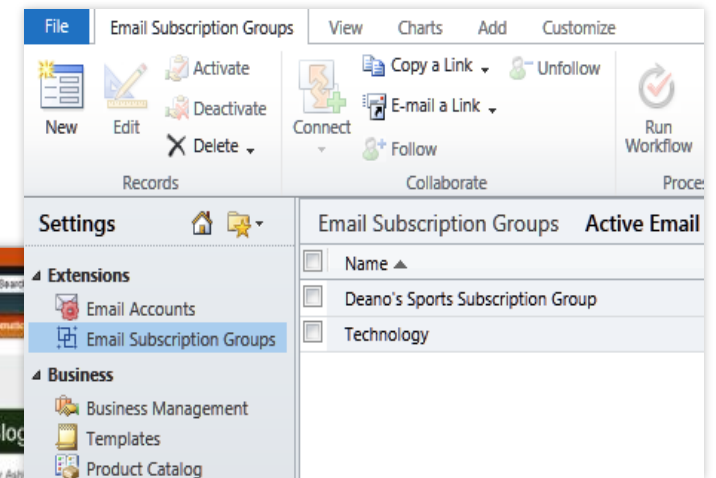
B2B

- 16% Salesforce (growing at 30%)
- 7% Microsoft Dynamics (growing at 23%)





dotmailer for Magento

dotmailer for Microsoft Dynamics



dotmailer for Salesforce

Investment in detail 2015/2016

	 US	 ASIA PAC	MULTICHANNEL MARKETING AUTOMATION
Office	£0.02m	£0.03m	-
Staff	£0.6m	£0.4m	£0.4m
Product development	£-	£-	£0.2m
Marketing	£0.2m	£0.2m	£0.4m
Cloud infrastructure	£0.3m	£0.1m	£-
Other	£0.08m	£0.07m	£-
Total investment	£1.2m	£0.8m	£1.0m

Outlook

Outlook

Focused on continued strong organic growth, through:

- Continued investment in international markets through strategic channel and integration partnerships
- Continued development of dotmailer's cutting edge marketing automation platform to reach new markets
- Winning and retaining corporate and mid-size clients with high life time value

H1 Progress

- Revenues inline with the plan
- Larger monthly spend commit
- Continued strong uptake of Magento connector
- Growing confidence in the market
- Digital marketing budgets continuing to rise
- US revenues continue to build

Strong Growth Rationale

- Large & growing existing market
- Opportunity to expand into new markets
- Very strong product
- Experienced management team
- Good operational leverage
- High margins
- High levels of contracted recurring revenue

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Appendix

Company background

dotdigital group was established in 1999

Our 'dotmailer' platform has grown to become one of the top email and multi-channel marketing automation tools in the UK

184 People

Sales & Marketing - 72 people

IT & Development - 55 people

Client Services - 31 people

Other - 26 people

4 UK offices

London Bridge
Headquarters

East Croydon
Sales & development office

Manchester & Edinburgh
Regional sales offices

3 International offices

New York, USA
West Coast, USA **OPENING SOON**
North American sales offices

Minsk, Belarus
Offshore development office

Melbourne, Australia **OPENING SOON**
Asia Pac sales office

Significant Shareholders

Management

- **Ian (Tink) Taylor 13.83%**
- **Simon Bird 11.01%**
- **Peter Simmonds 3.02%**

Institutions

- **Liontrust Investment Holdings 9.27%**
- **Investec Asset Management Ltd 8.63%**
- **Slater 4.11%**
- **Herald Investment Trust Plc 4.1%**
- **River & Mercantile 3.97%**
- **Franklin Templeton 3.4%**

*** Free float: 72%**

Timeline

“Whilst our business has changed almost unrecognisably from our formation in 1999, some qualities remain: a commitment to excellence, dedicated people and a profitable business model”

Tink Taylor
President & Co-Founder

EARLY DAYS

1999
Ellipsis Media set up as web design and development agency. Opened first office

2000
Hired first employee

2001
Built email broadcaster tool.

2002
Launched 'dotmailer'

2003-2005
Developing sales people and infrastructure.

2006
Focused on building the dotmailer and user base.

2007
Rebuilt the platform.

PLUS MARKET LISTED
SHARE PRICE 3.75p
MARKET CAP £10m

2008

- Won award for Deloitte Fast 500 Tech Co in EMEA
- Ellipsis changes name to dotmailer
- Sent first emailing on new platform

Revenue £2.5m
EBITDA £0.8m

2009

- Won NB Awards Growth Strategy of the year
- Acquired Netcallidas
- Deloitte Fast 500 Tech Co's in EMEA
- Integrates with Dynamics
- Launched Easy Editor, SMS
- Employee share options

Revenue £4.8m
EBITDA £1.1m

2010

- Deloitte Fast Track 500 Tech in EMEA
- Integrates with SalesLogix
- Wins Croydon business awards for 'best medium sized business'
- Annual sent email volume reaches a billion

Revenue £6.0m
EBITDA £1.5m

2011

- Admission to AIM
- Translates into eight languages
- Wins Croydon business awards for 'Best medium sized business'

Revenue £9.0m
EBITDA £2.6m

2012

- Integrates with Salesforce
- Launch segments
- Won the 'Ruben de Honneur' Awards at the European Business Awards for 'Best Mid Sized Business'

Revenue £12.0m
EBITDA £3.4m

2013

- Closed dotAgency
- Integrates with Magento
- Started accelerated investment plan
- Opened New York office

Revenue £13.8m
EBITDA £4.1m

H1 2014.

- Celebrated 15 years of business
- Opened a new London office
- 53 new staff join the business. Total employees now 178.
- Multi-channel product launched
- Transition of CEO
- International revenues 9.4% of total.

Revenue £16.4m
EBITDA £4.7m

AS OF 31/12/2104
SHARE PRICE 30.50p
MARKET CAP £87m

AIM LISTED
SHARE PRICE 7.875p
MARKET CAP £21m



dotmailer in the press
Ed Milliband visits us in Croydon, whilst we also meet HRH Prince William and Boris Johnson.

Client list

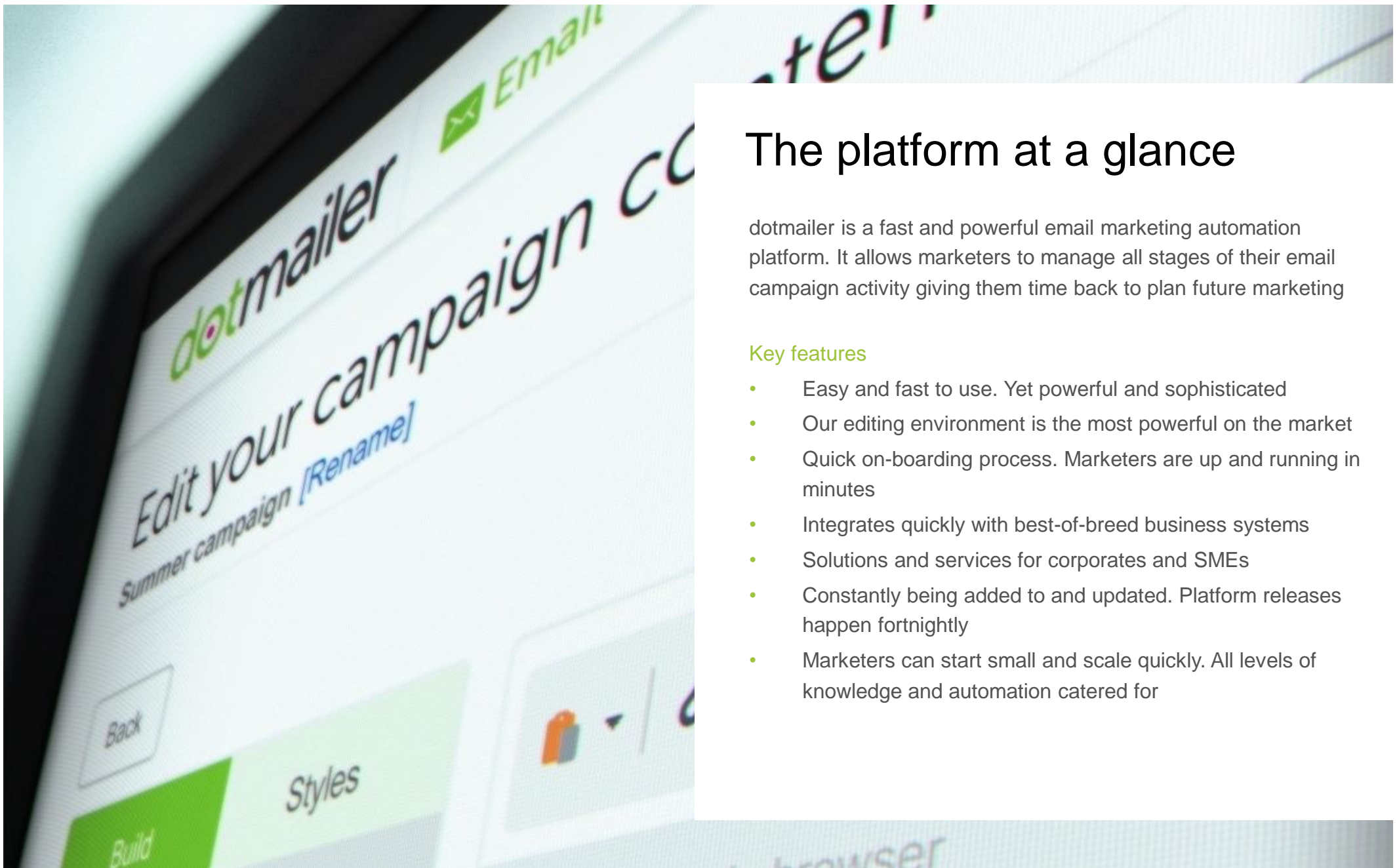
dotmailer is the trusted partner of huge success stories. Here are a few of the 4,000+ companies we work closely with.

BBC worldwide	Thorntons
Econsultancy	VAX
Harveys	Elemis
Investec	Ladbrokes
Osprey London	Vizio Inc
BP International	Addison Lee
ITV	Land Securities
Odeon Cinemas	Hertz
Ryman	Randstad
Balfour Beatty	Fruit of the Loom
EDF Energy	Fraser Hart
Nationwide	Johnson Cleaner
Liverpool Victoria	Ryman
Verifone	Mclaren
Copa Airlines	Hays
Shortlist Media	Duchamp



REISS





The platform at a glance

dotmailer is a fast and powerful email marketing automation platform. It allows marketers to manage all stages of their email campaign activity giving them time back to plan future marketing

Key features

- Easy and fast to use. Yet powerful and sophisticated
- Our editing environment is the most powerful on the market
- Quick on-boarding process. Marketers are up and running in minutes
- Integrates quickly with best-of-breed business systems
- Solutions and services for corporates and SMEs
- Constantly being added to and updated. Platform releases happen fortnightly
- Marketers can start small and scale quickly. All levels of knowledge and automation catered for

Key themes in the platform evolution

The following themes have been - and continue to be – core to the platform's evolution and roadmap

“Ease of use is at the heart of everything we build”

Steve Shaw
IT Director

Integrations

- Deeper integration with key platforms such as Magento, Salesforce and Dynamics
- Data transfer with CRM, EPOS, data warehouses and legacy systems
- API strategy to ensure easy to integrate with

Logic and Rules

- Continued focus on ease of use and visual drag & drop configurations
- Increased complexity and power
- Semi autonomous / Predictive

Data

- Storage of structured and unstructured data
- Interrogation to personalise and adjust content via data
- Segmentation to identify and optimise engagement

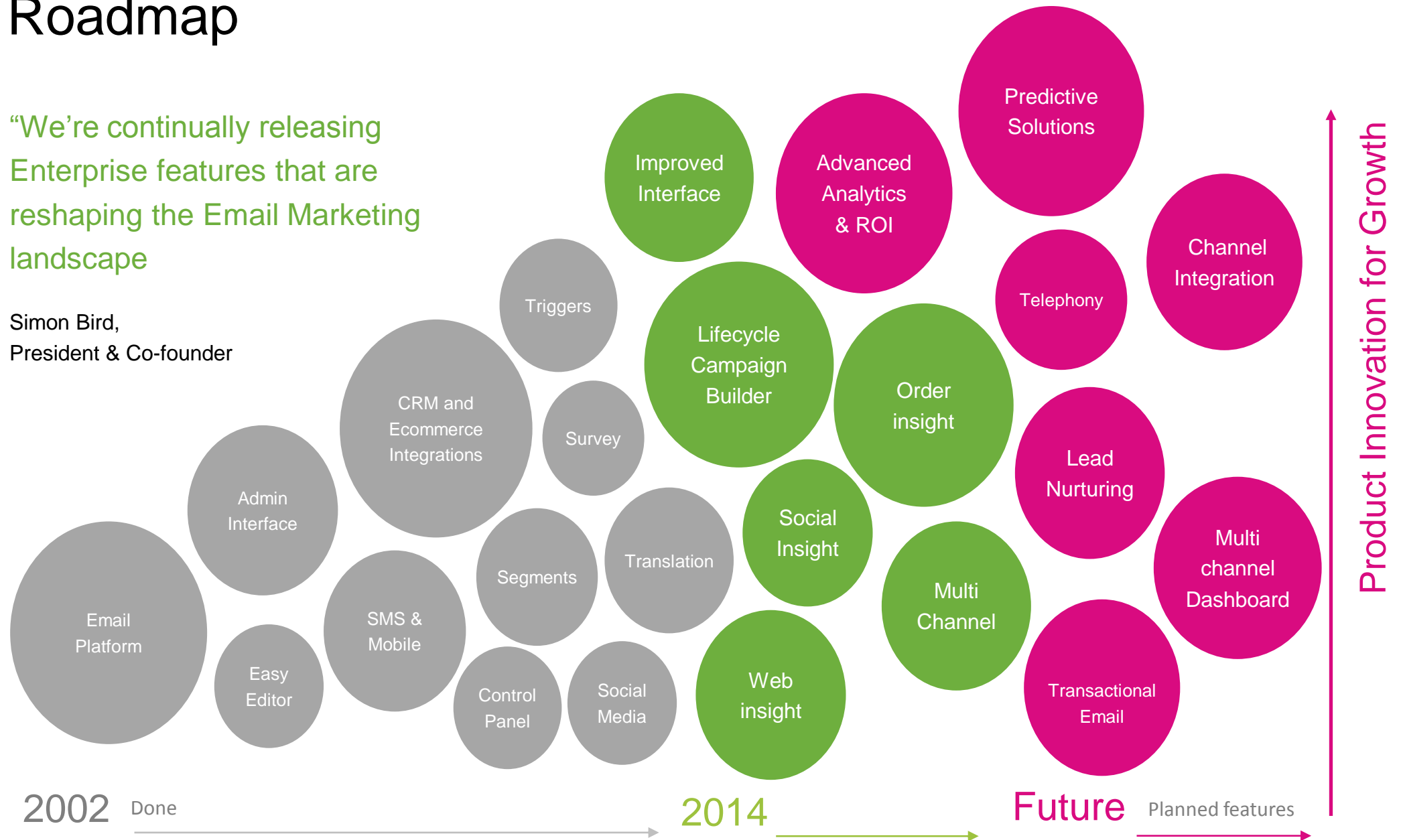
Multichannel

- More channel extensions
- Easier connections with existing workflows and systems

Roadmap

“We’re continually releasing Enterprise features that are reshaping the Email Marketing landscape

Simon Bird,
President & Co-founder



Marketing automation the dotmailer way

dotmailer is a best-of-breed marketing automation platform

Email is our heritage but now our platform is enriched with features that allow marketers to create automated multi-channel campaigns with just a few clicks

How dotmailer works

At the heart of all we do is data

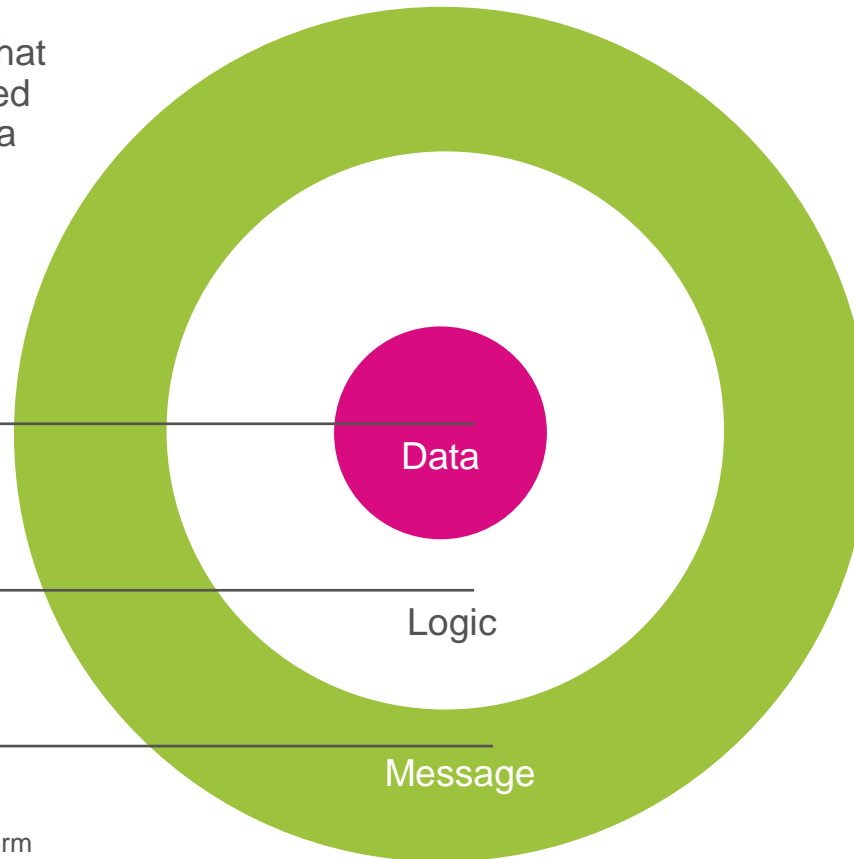
- Import data
- API
- CIM
- CRM

Then the clever bit of automation logic

- Segment & Triggers
- Transactional data
- Insight & Behavioral
- Lifecycle campaigns

And finally the delivery of the message

- Email
- API
- SMS
- CRM
- Social
- Ecommerce platform



It's built to integrate seamlessly with other best-of-breed systems