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Text Group Reports Net Profit of 84.6 million PLN in the First Half of the 2023/24 FY

The revenues totaling 162.7 million PLN and a consolidated net profit of 84.6 million PLN are the results of Text Group in the first half of the 2023/24 financial year. As announced earlier, the company has changed its revenue recognition method at individual and consolidated levels, impacting half-year results and comparable data.

"It has been a busy few months for our team, introducing numerous changes and new functionalities to our products. We are particularly proud of the new version of ChatBot, based on our proprietary AI technology," said President Mariusz Cieplý. The new ChatBot version was released to customers at the end of November this year, following several months in the "open beta" phase.

In the first half of the year, Text Group recorded revenues of 162.7 million PLN. The Group's operating profit amounted to 90.7 million PLN, with a consolidated net profit of 84.6 million PLN. The announced change in revenue recognition impacted both current and comparable periods.

A year ago, the Group reported revenues of 141.3 million PLN, an operating profit of 81.3 million PLN, and a consolidated net profit of 75.6 million PLN. When recalculated according to the new revenue recognition policy, these results would be 125.2 million PLN in revenues, 67.7 million PLN in operating profit, and a consolidated net profit of 62.9 million PLN, respectively.

"The accounting changes are the result of lengthy discussions with the auditor. For us, the most important thing is that they have no impact on our business and how we function as an organization," emphasized Mariusz Cieplý.

Changes in the revenue recognition method lowered the result in the first half of the year (in both quarters combined) by 3.9 million PLN in revenue and 4.5 million PLN in operating profit. However, it is worth noting that this effect will decrease in subsequent quarters as the company recognizes revenues currently deferred to the future (coming from payments longer than monthly). For the first time, the Group recognized the position of "liabilities from customer contracts," representing deferred revenues, estimating it at 68.0 million PLN.

A valuable indicator for tracking the Group's development is the Monthly Recurring Revenue (MRR), published in US dollars, the currency in which practically all revenues are generated. The estimated value of Monthly Recurring Revenue for all products at the end of September 2023 was 6.47 million USD. This represents an increase of 31.8% compared to the previous year and no change compared to the state as of June 30, 2023.

The company continues to generate cash effectively and confirms its policy of paying the highest possible dividend from a legal perspective. At the end of the period, the company had cash reserves amounting to 56.5 million PLN.

ABOUT TEXT

Operating in the "customer service" business, Text is one of the leaders in the global market for live chat solutions. Its LiveChat product supports companies in customer service, online sales support, and lead generation - allowing its partners to stay in touch with their customers anywhere and anytime. Text's other products include ChatBot, HelpDesk, KnowledgeBase, and OpenWidget.

LiveChat is used by over 37 thousand companies in 150 countries, the ChatBot product has over 2,800 customers in more than 30 countries, and the Helpdesk product has over 1,000 customers.