

9 April 2020



Eckoh plc

("Eckoh", the "Group" or the "Company")

Full Year Trading Update: results in line with expectations

Eckoh, the global provider of secure payment products and customer contact solutions, today issues a trading update for the year ended 31 March 2020.

Trading Update

The Board of the Company confirms that trading for the year ended 31 March 2020 was in line with market expectations, with revenue growth in both the UK and US divisions and double-digit growth across the Group.

Following record total order levels last year of £32.7m, an excellent first half performance this year has been followed by a strong period of trading in the second half, and has led to another record year with orders growing 10% to £35.9m at the period end.

In the US, Eckoh has continued to benefit from its position as the preferred supplier for large enterprises to secure payment data in their contact centre operations. Given this growth opportunity and consistent with previously discussed plans, we are increasingly focusing on Secure Payments and not targeting any new third-party Support contracts other than those that are purely software based. The US Secure Payments order book has maintained strong momentum, with new contracts signed with a value of \$10.7m (FY19 \$13.7m, which included our largest single contract to date of \$7.4m), and the contracts won included two of the five largest US retailers. Whilst the sales pipeline remains extremely strong, COVID-19 has resulted in delays to some significant deals that were expected to conclude before March 31st 2020. We are confident these delayed contracts will conclude once market conditions stabilise.

The UK had a strong year with significantly higher order levels in the second half. In our half year results statement, we suggested that some larger contract renewals might happen earlier than scheduled. This did occur with allpay, Transport for London and a multinational financial services company, all renewing and contributing to the strong second half performance. The framework contract with Capita – to provide Omnichannel services to its clients, starting with live chat – has been deployed successfully using our Cloud platform.

There was strong cash generation during the period and Eckoh's balance sheet remains robust with cash of £13.6m at the period end, and net cash of £11.6m (2019: £8.3m), taking into account the outstanding loan of £2m that was used to purchase the Eckoh head office.

Current Trading and COVID-19 Update:

The safety of our staff and partners is our top priority. Accordingly, the entire Eckoh team (including the internal Eckoh Contact Centre) has been working remotely for some weeks. Our

high service levels have been maintained, which reflects the digital and physically remote nature of our technology and solutions. Eckoh's business model and market position means we are well placed to manage the impact of COVID-19 on our clients' businesses, with high levels of recurring revenue (79% excluding our Coral contract at the half year), a record order book, blue chip enterprise clients and a strong balance sheet.

Our US operation is underpinned completely by fixed contractual fees, whilst most UK clients are underpinned by contractual fees or minimum transactional levels. Our UK business does have some exposure to consumer-facing customers where contact volumes have dropped, however we expect demand in these areas to return when market conditions stabilise. We have taken a number of precautionary measures to sustain our position of financial strength, including limiting discretionary spend, freezing new hires and postponing salary increases for 2021. We have maintained headcount at current levels to manage ongoing demand, sustain our high service levels, and ensure we are well-placed for a recovery in demand.

As a result of the swift and fundamental impact of COVID-19 on global economic conditions, and the current impact to some of Eckoh's clients, the Board considers it prudent to withdraw financial guidance until conditions stabilise. The Board has also taken the decision that it will not propose a year-end dividend unless conditions change such that the outlook is clearer and supports us doing so.

Despite the short-term disruption to market conditions relating to COVID-19, the Board remains confident of the future prospects for the Group with an excellent sales pipeline in both the US and UK.

The Group expects to report its audited results for the year ended 31 March 2020 in June 2020.

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About Eckoh plc

About Eckoh plc Eckoh is a global provider of Secure Payment products and Customer Contact solutions, supporting an international client base from its offices in the UK and US.

Our Secure Payments products help our clients take payments securely from their customers through all engagement channels. The products, which include the patented CallGuard and ChatGuard, can be hosted in the Cloud or deployed on the client's site and remove sensitive personal and payment data from contact centres and IT environments. They offer merchants a simple and effective way to reduce the risk of fraud, secure sensitive data and become compliant with the Payment Card Industry Data Security Standards ("PCI DSS") and wider data security regulations. Eckoh has been a PCI DSS Level One Accredited Service Provider since 2010, securing over £2 billion in payments annually.

Eckoh's Customer Contact solutions enable enquiries and transactions to be performed on whatever device the customer chooses, allowing organisations to increase efficiency, lower operational costs and provide a true Omnichannel experience. We also assist organisations in transforming the way that they engage with their customers by providing support and transition services as they implement our innovative customer contact solutions. Our large portfolio of clients come from a broad range of vertical markets and includes government departments, telecoms providers, retailers, utility providers and financial services organisations.

For more information go to www.eckoh.com or email MediaResponseUK@eckoh.com.