

LifeSpeak Inc. Announces Second Quarter 2021 Results

News provided by LifeSpeak Inc.

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- Second quarter 2021 revenue reached \$5.6 million, an increase of 132% compared to the same period in 2020
- Second quarter 2021 Adjusted EBITDA reached \$2.2 million, an increase of \$1.5 million over the same period in 2020
- Second quarter Adjusted EBITDA margin of 40%, compared to 28% in the second quarter of 2020
- Client count increase of 45% to 253 as at June 30, 2021, compared to 175 as at June 30, 2020

TORONTO, Aug. 6, 2021 /CNW/ - LifeSpeak Inc. (“LifeSpeak” or the “Company”) (TSX: LSPK), the mental health and total well-being platform for employee and customer-focused organizations, today announced its three and six month financial and operational results for the period ended June 30, 2021. All references to dollar values in this press release are in Canadian dollars, unless otherwise indicated.

“Our second quarter revenue and Adjusted EBITDA grew significantly compared to the second quarter of 2020, largely due to a client base that increased by 45% compared to the prior-year period,” said Michael Held, Founder and CEO of LifeSpeak. “We believe that our effective and affordable mental health and total well-being platform for employee and customer-focused organizations is becoming increasingly important to clients, and our quarterly growth reflects that.”

Consolidated Business Highlights for the Three and Six Months Ended June 30, 2021

(All capitalized terms not defined herein, shall have the meaning ascribed to them in the Management’s Discussion and Analysis for the three and six months ended June 30, 2021, unless otherwise stated)

- Second quarter 2021 revenue of \$5.6 million, an increase of 132% compared to the same period in 2020, representing a continuing trend of growth in the adoption of the Company’s platform.
- First half 2021 revenue of \$10.5 million, an increase of 139% compared to the same period in 2020.
- Annual Recurring Revenue (ARR) of \$22.9 million as at June 30, 2021, an increase of 132% over the same date in 2020, representing a continuing trend of growth in ARR.
- Second quarter 2021 Adjusted EBITDA of \$2.2 million, an increase of \$1.5 million over the same period in 2020.
- First half 2021 Adjusted EBITDA of \$4.1 million, an increase of \$3.0 million over the same period in 2020.
- Net income for the three months ended June 30, 2021 of \$0.5 million, and increase of \$0.8 million compared to a net loss of \$0.3 million for the same period in 2020.
- Net income for the six months ended June 30, 2021 of \$0.6 million, an increase of \$1.4 million compared to a net loss of \$0.8 million for the same period in 2020.
- Total client count of 253, a 45% increase when compared to 175 at the same time last year.

Highlights Subsequent to Quarter End

- On July 6, 2021, the Company closed its initial public offering of common shares on the Toronto Stock Exchange, for total gross proceeds of \$125 million, including a secondary offering totaling \$35 million, resulting in LifeSpeak receiving gross proceeds of \$90 million.
- Following the end of its second quarter, LifeSpeak continued to execute on its global expansion strategy, signing enterprise agreements with Lego Group (USA), Celestica International (Canada), and Majorel Group (Europe), among others. The Company also signed several embedded agreements, including with T-Cup Studios (Europe).
- Launched a new corporate website (www.LifeSpeak.com) to better reflect the Company’s business, including its services for clients.

Financial Results for the Three and Six Months Ended June 30, 2021

Selected Consolidated Financial Information <i>(In thousands of Canadian dollars)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenue	5,585	2,412	10,507	4,388
Less:				
Product Development and Content	378	249	783	493
Gross Profit.....	5,207	2,163	9,724	3,895
Gross Profit Margin ⁽¹⁾				
Gross Profit Margin.....	93%	90%	93%	89%
<i>Deduct Expenses:</i>				
Sales and marketing.....	1,935	952	3,624	1,749
General and administrative.....	1,250	1,227	2,809	2,263
Share-based compensation.....	401	--	1,333	--
Foreign exchange loss (gain).....	40	85	78	63
Depreciation.....	14	14	29	28
	3,641	2,278	7,873	4,103
Income (loss) before restructuring and other costs and finance expense.....	1,567	(115)	1,851	(208)
Restructuring and other costs ⁽²⁾	726	133	915	439
Finance expense, net.....	332	67	339	147
Income (loss) before income taxes.....	508	(315)	598	(795)
Income taxes (recovery)	--	--	--	--
Net income (loss)	508	(315)	598	(795)
Non-IFRS Measures				
EBITDA ⁽³⁾	855	(233)	965	(620)
Adjusted EBITDA ⁽⁴⁾	2,224	684	4,093	1,083

Notes

- (1) Gross profit margin is calculated as gross profit divided by revenue for the relevant period.
- (2) Restructuring and other costs are costs related to the entry into of the Company's credit agreement and recapitalization distributions and expenses related to the investment by the Institutional Investors and costs and expenses in connection with the Company's IPO and related matters
- (3) "EBITDA" is defined as net profit or loss before income tax expenses, finance costs and depreciation and amortization.
- (4) "Adjusted EBITDA" is defined as EBITDA before non-recurring restructuring and other costs related to the entry into of the Company's credit agreement and recapitalization distributions, expenses related to the investment by the Institutional Investors, costs and expenses in connection with the Company's IPO and related matters, share-based compensation, foreign exchange loss (gain) and shareholders distributions.

Conference Call Notification

The Company will hold a conference call to provide a corporate update on Friday, August 6, 2021 at 8:30 a.m. ET, hosted by senior management. A question-and-answer session will follow the corporate update.

Conference Call Details

DATE: Friday, August 6, 2021

TIME: 8:30 a.m. ET

DIAL-IN NUMBERS: 1-226-828-7575 or toll free at 1-833-950-0062

REFERENCE NUMBER: 481990

This live call is also being webcast and can be accessed by going to:
<https://event.on24.com/wcc/r/3335695/18905F7FD7E5D00C5E12CAEBE9379A4A>

An archived replay of the webcast will be available for two weeks by clicking the link below, using access code 718929:
<https://www.incommglobalevents.com/replay/6567/lifespeak-inc-second-quarter-2021-financial-results-conference-call/>

Non-IFRS Measures and Key Performance Indicators

As appropriate, LifeSpeak supplements its results of operations determined in accordance with IFRS with certain non-IFRS financial measures and key performance indicators that the Company believes are useful to investors, lenders and others in assessing its performance and which highlight trends its core business that may not otherwise be apparent when relying solely on IFRS measures. LifeSpeak management also uses non-IFRS measures and key performance indicators for purposes of comparison to prior periods, to prepare annual operating budgets, for the development of future projections and earnings growth prospects, to measure the profitability of ongoing operations and in analyzing our financial condition, business performance and trends. As such, these measures and indicators are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective, including how it evaluates its financial performance and how it manages its capital structure. LifeSpeak also believes that securities analysts, investors and other interested parties frequently use these non-IFRS measures and key performance indicators in the evaluation of issuers. These non-IFRS measures and key performance indicators are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and may include or exclude certain items as compared to similar IFRS measures, and such measures may not be comparable to similarly-titled measures reported by other companies. Accordingly, these measures and indicators should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS.

Non-IFRS Measures

EBITDA

"EBITDA" is defined as net profit or loss before income tax expenses, finance costs and depreciation and amortization

Adjusted EBITDA

"Adjusted EBITDA" is defined as EBITDA before non-recurring restructuring and other costs related to the entry into of the Company's credit agreement and recapitalization distributions, expenses related to the investment by the Institutional Investors, costs and expenses in connection with the Company's IPO and related matters, share-based compensation, foreign exchange loss (gain) and shareholders distributions. These non-recurring costs are independent events which are non-recurring in nature and occurred over several financial periods.

Selected Consolidated Financial Information (In thousands of C anadian dollars)	Three Months Ended June 30,		Six Months Ended June, 30	
	2021	2020	2021	2020
Net income (loss).....	508	(315)	598	(795)
<i>Add:</i>				
Depreciation expense.....	14	14	29	28
Finance expense.....	332	67	339	147
Income tax expense.....	--	--	--	--
EBITDA ⁽¹⁾.....	855	(233)	965	(620)
<i>Add:</i>				
Restructuring and other costs ⁽²⁾	726	133	915	439
Share-based compensation.....	401	--	1,333	--
Foreign exchange loss (gain)	40	85	(78)	63
Shareholders distributions ⁽³⁾	--	700	600	1,200
IPO-related costs	202	--	202	--
Adjusted EBITDA ⁽⁴⁾.....	2,224	684	4,093	1,083

Notes

- (1) “EBITDA” has the meaning ascribed herein under “Non-IFRS Measures”.
- (2) Restructuring and other costs are costs related to the entry into of the Company's credit agreement and recapitalization distributions and expenses related to the investment by the Institutional Investors and costs and expenses in connection with the Company's IPO and related matters.
- (3) Shareholders distributions includes private company legacy profit sharing payment to shareholders.
- (4) “Adjusted EBITDA” has the meaning ascribed herein under “Non-IFRS Measures”.

Key Performance Indicators

Annual Recurring Revenue

“Annual Recurring Revenue” or “ARR” is equal to the annualized value of contracted recurring revenue from all clients of our platform at the date being measured. Contracted recurring revenue is revenue generated from clients who are, as of the date being measured, party to contracts with LifeSpeak. Such revenue is annualized by: (i) in the case where a contract was in existence for the entire month, multiplying recognized revenue in the calendar month of the date measured by 12; and (ii) in the case where a contract was entered into mid-month, extrapolating recognized revenue at the date measured for the entire calendar month, and then multiplying by 12. Contract lengths typically range from one to three years and, based on our past experience, the vast majority of clients renew their contracts upon expiry. ARR is mainly comprised of revenue from enterprise and embedded solutions and includes revenue from small business and ancillary services (comprised of portals, kits and events purchased by our existing clients or distributed through our channel partners). ARR provides a consolidated measure by which we can monitor the longer-term trends in our business.

About LifeSpeak Inc.

LifeSpeak is a leading software-as-a-service provider of a platform for mental health and total well-being education for organizations committed to taking care of their employees and customers. With 17+ years of experience creating and curating thousands of expert-led micro-learning videos and other digital content, LifeSpeak's proprietary library's depth and breadth of easily consumable content helps companies around the world support their people anytime and anywhere. LifeSpeak serves a diverse global client base across many industries and sectors, including Fortune 500 companies, government agencies, insurance providers, and other health technology firms. To learn more, follow LifeSpeak on LinkedIn (<http://www.linkedin.com/company/lifespeak-inc>), or visit www.LifeSpeak.com.

Forward-Looking Information

This press release includes “forward-looking information” within the meaning of applicable securities laws. Such forward-looking information includes, but is not limited to, information with respect to our objectives and the strategies to achieve these objectives, as well as information with respect to our beliefs, plans, expectations, anticipations, estimates and intentions.

In some cases, but not necessarily in all cases, forward-looking information can be identified by the use of forward-looking terminology and phrases such as “forecast”, “target”, “goal”, “may”, “might”, “will”, “could”, “expect”, “anticipate”, “estimate”, “intend”, “plan”, “indicate”, “seek”, “believe”, “predict”, or “likely”, or the negative of these terms, or other similar expressions intended to identify forward-looking information, including references to assumptions. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts nor guarantees or assurances of future performance but instead represent management's current beliefs, expectations, estimates and projections regarding possible future events, circumstances or performance.

Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that, while considered reasonable by LifeSpeak as of the date of this release, is subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Important factors that could cause actual results to differ, possibly materially, from those indicated by the forward-looking information include, but are not limited to, the risk factors identified under “Risk Factors” in the Company's prospectus dated June 28, 2021 (the “IPO Prospectus”), and in other periodic filings that the Company has made and may make in the future with the securities commissions or similar regulatory authorities in Canada, all of which are available under the Company's SEDAR profile at www.sedar.com. These factors are not intended to represent a complete list of the factors that could affect LifeSpeak. However, such risk factors should be considered carefully.

There can be no assurance that such estimates and assumptions will prove to be correct. You should not place undue reliance on forward-looking information, which speak only as of the date of this release. LifeSpeak undertakes no obligation to publicly update any forward-looking information, except as required by applicable securities laws.

Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not currently known to us or that we currently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, you should not place undue reliance on forward-looking information. The forward-looking information represents our expectations as of the date of this earnings release (or as the date it is otherwise stated to be made) and is subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable Canadian securities laws. All of the forward-looking information contained in this earnings release is expressly qualified by the foregoing cautionary statements.

SOURCE LifeSpeak Inc.

For further information: For investor inquiries, please contact: Michael McKenna, mikemckenna@lifespeak.com, Chief Financial Officer & Secretary, LifeSpeak Inc. Or: Adam Peeler, on behalf of: LifeSpeak Inc., 416.427.1235, adam.peeler@loderockadvisors.com

Related Links

www.lifespeak.ca