

Simone Righini shares Tophost's Q3 2018 results: "We are still the lowest-cost web hosting provider in Italy."

Milan, 22 November 2018. Time is running fast, and the majority of global companies are preparing for that last push in 2018 that is going to bring them positive annual results. Some of them are summing up the performance of the year so far and even looking ahead in the year 2019.

This is precisely what we've done today with the manager of Tophost, Simone Righini. Simone has shared some of the details regarding Tophost's Q3 2018 performance and its near-future plans. We also talked about the challenges that await most of the Italian companies in the upcoming year and discussed how Tophost is planning to go around these obstacles.

What has changed within Tophost since our last interview – How did the company perform in the previous three months?

Simone Righini: "One point I'd like to highlight is that during Q3 2018, Tophost managed to maintain the same steady level of growth. We are doing pretty good when compared to our last year's performance. We hope that the new projects that were started at the beginning of the year will bring amazing results by the end of 2018.

Another notable point is that we managed to avoid the increase in the pricing of our services. We maintained the same price level for the entire year as of the moment, and I think this is mainly due to our social media "challenge" initiative. It helped us to keep our prices as the lowest benchmark on the market via the economies of scale.

We still keep our status as the lowest-cost web hosting provider in Italy that can offer so many products for an affordable price. Most of our competitors offer the same packages three times our cost.

Thanks to the policy we adopted, we also enjoy a very high renewal rate. People that prefer to use affordable services cannot find any place that offers cheaper packages, so they keep renewing their services with us.

In this context, I'd like to note that our economic count related to the difference between transfer-outs and transfer-ins concerning our clients is improving. When we started back three years ago, the rate was quite negative, and then, during the last year, it became more neutral.

In 2018, Tophost finally managed to advance this rate and push it to the positive territory. This means that during this year, the number of people that were transferred to our company from another was

higher than the number of those, who left Tophost. For the first time, this year, Tophost managed to achieve a 150% increase in transfer-ins.”

Previously, you mentioned that Tophost works on the project related to security and new power features. Which steps have been taken in regards to this initiative?

Simone Righini: “Yes, we are working on it, and it is not ready yet for release – we want to make sure that this project is perfect and has no flaws. Because we are still a tiny team, such things can take some time. Since besides this project, we have the primary workflow and an increase in customers, we are trying our best to maximize our efforts and deliver the best results.

I believe that we will be ready to release this product by the end of this year.”

How is new Tophost’s backup product performing?

Simone Righini: “Tophost’s backup product is bringing very good results. The attach rate of the product is growing at a good speed – it even surpassed our expectations. We were anticipating to see about 2 percent attach rate, while, in reality, we saw around 4-5% growth. Attach rate is the standard term that describes the number of units that are sold complementary to the primary good. For instance, in our case, a backup product is that secondary or complementary product.”

Please tell me about plans of Tophost for the upcoming three months?

Simone Righini: “As I mentioned previously, we plan to concentrate our efforts and resources on developing, testing heavily, and, eventually, releasing, our project that is related to security and new power features.”

What do you have in mind for Tophost for the 2019 year?

Simone Righini: “As for the upcoming year, we don't have any confirmed schedule in mind yet. However, there is one particular thing that we will need to take care of. The biggest challenge of the next year will be the new electronic invoicing obligation introduced by the Italian Budget Law. This law requires all businesses in Italy to connect their invoicing systems to the government website. This

means that we will need to issue all our invoices via the new government-linked system. Considering the number of products we sell, this might appear as time and resource-consuming activity.

This will probably emerge as a mandatory increase in price for our customers. However, we intend to optimize this opportunity and not merely increase the price, but to offer some extra features for our clients.”

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