

Tomaž Koštial on DHH Slovenia's Q4 2018 performance: "Q4 2018 was dedicated to the development of new services"

Milan, 21 February 2019. Just recently, the world celebrated the new lunar year, which symbolizes the beginning of the new 2019 chapter, according to the moon cycles. Putting this into the business perspective, it means that companies all over the world are carrying out their planned activities for Q1 2019 and building their strategies for the upcoming months.

In this context, we talked with the country manager of DHH Slovenia Tomaž Koštial about the company's performance in Q4 2018 and its plans for 2019.

How did the Q4 2018 go for the DHH Slovenia?

Tomaž Koštial: "In Q4 2018 we were busy developing new services. Before that, we finished the migration of our shared hosting infrastructure from the Plesk to cPanel and then in Q4 we started developing the new product – managed WordPress hosting. We also updated our email marketing service Dostavljalec by switching to a new, more modern platform.

Also, we added cloud services to our product portfolio and started making individual sales to larger customers. It has been pretty busy. Now that the massive migration part is over, we have time to devote our resources to more profitable activities.

For a long time, we were not focusing enough on the development of new products due to lack of time. Now we have restarted the process - and I believe there will be a lot of new products introduced in the coming months."

Was 2018 year a good year for DHH Slovenia? Can you shortly describe some of the key highlights of the year?

Tomaž Koštial: "Yes, it was a very busy year. Financially wise I believe it could have been a bit better. Since a lot of our sales activities were on pause due to the migration project, our numbers were not as great as they could have been. Nevertheless, we still managed to make some improvements and laid down the foundation for the future.

In 2018, we also became an accredited registrar for .EU domains. We are now the biggest registrar of .EU and .SI domains in Slovenia. Almost 1 out of 2 .eu domains is registered with DHH.si in Slovenia.

I hope that soon we will be on the list of Top 100 .EU registrars in the world. Becoming a .EU registrar also allowed us to offer better prices for the registration of .EU domains. We are now putting more focus on registration of EU domains since we believe there is a lot of potential for growth. The ratio

between .si and .eu domains is almost 10:1 so the opportunity for growth is there since there are a lot of domains which are still available for registrations.”

Aside from the massive migration project that DHH Slovenia performed in 2018, you were also busy with differentiating between the two brands - Domovanje and Domenca. Were there any developments regarding this initiative in Q4 2018?

Tomaž Koštial: “As I mentioned, we introduced cloud services to our product portfolio at Domovanje which is intended for our business customers who are more and more recognizing the benefits of cloud computing together with minimizing TCO. In the future, there will be more emphasis on adding new products to the Domovanje product lineup, which will be based on VPS servers, dedicated servers and cloud services.

We are now in the process of creating a new website for Domenca. Domenca is aimed primarily at end customers, so this brand will receive the WordPress managed hosting product first.

In 2018, our focus was and still is on a better and clearer distribution of the products between the two brands. At this moment, we are planning to add more products to complete the product line for Domenca. Afterward, our focus will be aimed at creating new products for Domovanje.”

Talking about the managed WordPress hosting and the new email marketing tool, when are these going to be available for your clients?

Tomaž Koštial: “Our managed WordPress hosting product is to be launched this month. The new email marketing tool has already been published at www.dostavljalec.si and the product is live. We are also offering a free package to our customers, so the client base is slowly building up.

With the changes GDPR brought, we wanted to make sure our email marketing tool is GDPR compliant. In fact, we were just in contact with the information officer here in Slovenia to clarify some specifics regarding the legislation. We want our clients to do their email campaigns in accordance with the law to avoid any trouble, so we plan to educate them what they need to do to grow their email databases and do it right.”

What do you have in plans for DHH Slovenia for the upcoming months?

Tomaž Koštial: “In Q1, we put a lot of effort in developing our expert services offer. These services include creating websites from scratch, maintaining existing websites or performing some quick fixes. We decided to put more attention to this type of services due to increased demand that we have noticed in recent months.

Currently, we have around 20,000 customers and many of them have WordPress and Magento websites but don't necessarily possess skills to manage them. They are searching for someone to help them out with this and we want to help them get all they need in one place – at Domovanje and Domenca.

We realized some time ago that there is a lot of potential for sales in regards to this type of services. Basically, we want the clients to come to us whenever they have a problem with their website and save them the hassle of searching for someone who they can trust will do a good job. They already know us and know that we have a track record of 20 years of quality service.

If they want to create a new website, update or upgrade their existing website, fix a specific problem, make their website faster or make sure their website is protected and secure, we're here for them.

We started out slowly and did sort of a soft launch at the beginning with some smaller projects and fixes. After we saw that the demand is really there and the feedback from our customers was very positive, we knew this was something we had to pursue and devote more resources to this product line.

Now, we are able to handle some bigger projects, too. We are at a point where we are starting to look for new people that can help us meet the demand for expert services from our clients. Judging by how things are developing now, expert services should become an important source of revenue for our company in the future.

In addition to that, our cloud services offer is still very new, but the sales are starting to come in. We have a dedicated person doing the sales to larger clients. In this context, we had an article published in the biggest business newspaper in Slovenia that introduced this offer to the public. The main goal was to tell people that we are not only offering shared hosting, but can also be a trustworthy partner when their needs are more advanced and our cloud services can help them modernize their infrastructure by making it more flexible and cost-efficient.

We are counting on this to become a significant source of revenue in the future as well. We are already the largest shared hosting provider and domain registrar in Slovenia, so we aim to become number one in cloud services as well.

We see a lot of potential for growth for both cloud services and expert services in the upcoming months and years. Aside from this we also have quite a few ideas about new products that can help us boost sales on the shared hosting side as well.

So to recap, 2018 was a year when we were still dealing with some of our internal processes and “housekeeping” tasks, as I like to say. I believe that 2019 will be the year when we make a big step forward, increase our sales and expand our product portfolio.”

About DHH S.p.A.

Established in July 2015 and located in Milan, DHH SpA (“DHH”) is a tech-group with a focus on building and growing cloud computing businesses in the emerging digital economies.

DHH strives to be the leading group of tech-entrepreneurs spanning the web hosting, SaaS and cloud computing industries in markets where the Internet penetration is still in a “beginner” phase, starting from Italy and western Balkans and determined to establish a global footprint.

DHH is listed on AIM Italia, a Multilateral Trading Facility regulated by Borsa Italiana and registered as an SME Growth Market.

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