

Bosko Radivojevic on mCloud performance Q4 2019:

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Milan, 12 February 2020. The year of the rat has arrived, and with it, a lot of opportunities – businesses all over the world are ready to act on their new year resolutions. Having put on the line all the efforts they had to finish off the Q4 of 2019 successfully, many companies are slowly getting used to the rhythm of the new 2020 year.

December of 2019 was a very successful month for one of the web hosting companies in Serbia, mCloud. Today, we sat with Bosko Radivojevic, the CEO of mCloud and asked him questions about the recent projects and activities in the company. He also told us a bit about his plans for the upcoming months.

How did the fourth quarter of 2019 go for mCloud?

Bosko Radivojevic: “The quarter was financially magnificent. In terms of bookings, we delivered 15% more than expected. Things went really well and we had a very good December. Just to give you an idea - we did 30% better in December than expected for December’s business plan.”

During our last interview, you told me about the new set of packages for shared hosting services. Did you launch this project?

Bosko Radivojevic: “What we can see from our products’ perspective is that all our efforts in our shared hosting portfolio are actually paying off and we are seeing strong continual growth in bookings of our shared hosting portfolio, which I really like. We are not making any dramatic changes to our shared hosting portfolio but rather polishing our packages and prices, which is something that has given us immediate results.

At the same time, we are trying to be efficient, which is why we are getting rid of some free packages and we are trying to reduce dependence on just selling domains just to build a customer base, but rather selling packages that have higher profitability for us as we are already well known in the Serbian market and already have a good customer base. We need to use this to drive new revenues and not spend too much time and money on enlarging our customer base just for the sake of it. Our goal is to increase profitability and we are on the right track in terms of revenues and bookings.

At the beginning of the second quarter of 2019, we started to blend in shared hosting as well and we needed to integrate it with our systems, integrate offices, and change employees. There was a lot of work involved. Then we needed to adjust our portfolio to match what our goals were for the company. Our goal was originally aimed at increasing our customer base without driving any specific level of profitability and I’d like to say without any sustainability.

Our goal for this year is to increase profitability since we are already good at bookings and we are looking to manage our portfolio according to this goal and on the shared hosting front, this is going really well. Also, we introduced some VPS solutions fairly successfully. For the last few years, we had sold 2 or 3 VPS solutions and this past year we sold more than 30 when we changed our solution proposition which is a good sign.”

How are your customers responding to the new cloud offering, Cloud Ready?

Bosko Radivojevic: “We have good traction for our Cloud Ready products. This is very interesting because we have more than 50 new customers in the last quarter in the Cloud Ready spectrum of products, which is quite impressive in my perspective. People want to host a WordPress site or they want to host some application and that is what brings them to your website, but eventually, they end up just buying a plain server and then finding someone to help install everything for them. That is the usual flow.

We now see a change though with customers coming to our website and ordering a server with preinstalled software and that is promising. Of course, our biggest star in that Cloud Ready portfolio is a server with ISP manager control panel - it is more of an advanced hosting solution. It is much cheaper than cPanel, while functionalities will meet the requirements of the majority of the customers. It is intuitive and easy to use and with Cloud Ready, it comes pre-installed.

We also see that our customers are buying Cloud Ready WordPress servers, which is interesting as we never saw this before the fourth quarter. We will keep adding applications and we believe this is the way to move forward because it helps us engage customers and get them to our website, but also drives some specific sales. It is necessary to experiment all the time and see what works best as there are no definite answers. We will try to offer as much as possible. From a numbers perspective, revenues for Cloud Ready are still low, but it is trending in the right direction.”

Please tell me about your marketing initiatives during the fourth quarter. I know you wanted to promote Cloud Ready and a new set of shared hosting packages.

Bosko Radivojevic: “We have baseline marketing which does not count as anything new - we need to be present on google ads, we need to buy a lot of keywords and be present in that way and we also used mDay, our recurring conference.”

How did the mDay event go in November?

Bosko Radivojevic: “mDay was a huge success, which felt like a journey with a different advanced format. It wasn’t a normal conference, but rather like a cabaret show. Seating played an important role and this time we tried something else rather than the standard boring conference seating arrangement. We had a mix of different topics, stand-up comedians and the act depicting a developer and system administrator’s perspective - so overall, it was very good.

Feedback from the guests was very impressive. It is hard to stay relevant, especially year by year, with this year being our this being our 6th or 7th mDay already. It is hard to measure the commercial outcome of investments for events like mDay, because it is purely a branding event and what I will be doing is to try and analyze/calculate the brand equity of mDay and to find a way to leverage it to drive more business.”

What are the plans of mCloud for the upcoming months?

Bosko Radivojevic: “We need to establish some long term plans and for that, we need to be quite sure about the values that we are selling and talking about and how they are reflected in the customers’ minds.

We are a hosting provider, but we are pretty much selling a commodity - you can purchase a hosting package pretty much everywhere in the world. There is no technological edge. There is no real innovation, which is why innovation does not drive business alone and we need to find other ways to such as building a stronger brand, value proposition and scale, and service. Last year, we spent our time consolidating two companies, resources, and employees. This year our focus will be on strategy - we need to find some solid ground for the years to come.

With regard to the upcoming quarter, we are making a few changes by introducing some new packages and phasing out some packages. We also have some work related to consolidating the operating systems that we are offering. From a product standpoint, there will be no serious changes - mainly cleaning up things after a crazy December.”

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Contact

DHH S.p.A.

Via Caldera 21, 20153 Milano

+39 02 87365100

info@dhh.international

www.dhh.international

Nominated Adviser (Nomad)

Paolo Verna

EnVent Capital Markets Ltd.

42 Berkeley Square - London W1J 5AW

+44 (0) 2035198451 / +39 06 896841

pverna@enventcapitalmarkets.uk

www.enventcapitalmarkets.co.uk