



## **Avidly's H1 Report for 1 January-30 June 2022 (unaudited): Revenue increased by 15.9%, gross profit was up by 16.5% and operating result was 0.9 million euros (-0.1 million euros)**

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Avidly Plc, Half-year report, 26 August 2022 at 08:30 (EET)

*This company announcement is a summary of Avidly's Half-year Financial Report for January-June 2022. The complete Report is attached to this announcement as a pdf file. It is also available on the company website at <https://investors.avidlyagency.com/en/company-news>.*

### **April-June 2022**

- Revenue was 9,095 thousand euros (8,095 thousand), an increase of 12.4%.<sup>1</sup>
  - Other countries segment's portion of revenue was 33.8% (22.8%).
- Gross profit totaled 6,671 thousand euros (5,800 thousand), an increase of 15.0%.
  - Other countries segment's portion of gross profit was 40.4% (27.6%).
  - Continuous services accounted for approximately 50% (49%) of gross profit.
- The Group's operating result increased to 496 thousand euros (-103 thousand).
- Adjusted operating result<sup>2</sup> was 202 thousand euros (347 thousand), or 2.2% of revenue (4.3%).

### **January-June 2022**

- Revenue was 17,661 thousand euros (15,238 thousand), an increase of 15.9%.<sup>1</sup>
  - Other countries segment's portion of revenue was 33.6% (22.6%).
- Gross profit was 13,181 thousand euros (11,314 thousand), an increase of 16.5%.
  - Other countries segment's portion of gross profit was 38.8% (26.7%).
  - Continuous services accounted for approximately 49% (45%) of gross profit.
- EBITDA was 1,948 thousand euros (716 thousand), an increase of 172.1%.
- The Group's operating result was 909 thousand euros (-104 thousand).
- Adjusted operating result<sup>2</sup> totaled 797 thousand euros (816 thousand), or 4.5% of revenue (5.4%).
- Profit for the period was 674 thousand euros (-230 thousand), or 3.8% of revenue (-1.5%).
- Earnings per share was 0.13 euros (-0.04).
- Cash flow from operations was 388 thousand euros (873 thousand).

<sup>1</sup> Unless otherwise stated, comparisons and figures in parentheses refer to the comparison period (i.e. the same period last year).

<sup>2</sup> Adjusted operating result refers to operating result (EBIT) adjusted for the acquisition costs and allocated depreciation of acquired businesses as well as expense associated with the share-based incentive scheme pursuant to IFRS.

## OUTLOOK FOR 2022 UNCHANGED (PUBLISHED ON 4 MARCH 2022)

Avidly estimates that its revenue in 2022 will be between 34 and 36 million euros (revenue in 2021: 30.0 million euros) and that its adjusted operating result will increase (adjusted operating result in 2021: 1.1 million euros).

The adjusted operating result refers to the operating result (EBIT) that has been adjusted for the acquisition costs and allocated depreciation of acquired businesses as well as expenses associated with the share-based incentive scheme pursuant to IFRS.

### CEO JESSE MAULA:

Our H1 revenue grew by 15.9 percent year-on-year to 17,661 thousand euros. Growth was rapid especially in international business, while growth slowed down in Finland. International growth was boosted in particular by the acquisition of Digital 22 Online at the beginning of the year. Organic growth accounted for 8 percent of the entire group's revenue growth.

The gross profit, which measures the volume of our own operations, was up by 16.5 percent to 13,181 thousand euros in H1. Our operating result was 909 thousand euros (-104), and the adjusted operating result describing the operational performance of our operations was 797 thousand euros (816), or 4.5% of turnover (5.4%).

In Q2, the profitability of the period was weakened by one-off costs, which were related to, among other things, change negotiations held in Finland, the advisory costs of the public cash tender offer announced in July, and the company's internal event, where the entire personnel was brought together for the first time after the Covid-19 pandemic and the Digital22 Online acquisition. The majority of these non-recurring expenses were directed to the business operations in Finland.

The demand for digital services that accelerate sales and marketing automation is still strong in our customer base. The demand for media advertising stabilised in Finland at the end of spring, which was reflected to some extent in our Finnish operations. Our customers' decision-making times have also increased. Overall, the market environment developed as expected. New customers in the second quarter included, among others, Kouvola Yrityspalvelutalo in Finland, Asolvi and Columbus Global in Norway/Sweden and Storegga in UK/Canada.

During Q2, we continued the development of our business processes and the work we launched earlier in the spring to identify material corporate responsibility topics related to Avidly's business. In accordance with our growth strategy, we constantly seek new growth and partnership opportunities within the Martech ecosystem and pilot new collaboration models. We continue step by step towards the profitability goals set.

We also actively monitor changes in our operating environment. So far, the impacts of Russia's attack on Ukraine or price inflation have not been significantly reflected in the demand for our services, but the situation of our customers may change rapidly. At the moment, however, our outlook for the latter part of the year is stable and our forecast for the whole year's development remains unchanged.

Key figures	1-6	1-6	Change	1-12
EUR (1,000)	2022	2021	%	2021
<b>Revenue</b>	<b>17,661</b>	<b>15,238</b>	<b>15.9</b>	<b>29,972</b>
Other countries segment's portion of revenue	5,926	3,440	72.3	7,099
<b>Gross profit</b>	<b>13,181</b>	<b>11,314</b>	<b>16.5</b>	<b>21,596</b>
Other countries segment's portion of gross profit	5,113	3,022	69.2	5,953
Continuous services of gross profit	49%	45%		47%
EBITDA	1,948	716	172.1	1,625
Operating result (EBIT)	909	-104	974.0	-57
EBITA*	1,134	-9	12,700.0	121
<b>Adjusted operating result**</b>	<b>797</b>	<b>816</b>	<b>-2.3</b>	<b>1,074</b>
Profit before taxes	783	-222	452.7	-269
Personnel, average	291	233	24.9	237

Earnings/share, EUR	0.13	-0.04	389.8	-0.04
Earnings/share, diluted, EUR	0.12	-0.04	404.6	-0.04
Equity ratio, %	43.98	44.60		48.14%
ROE, %	6.23	-2.28		-2.13%
Equity/share, EUR	2.06	1.97	4.7	2.02
Gearing, %	14.83	10.44		6.22%
Number of outstanding shares, weighted average during the period	5,328,037	5,279,531		5,279,531
Number of outstanding shares, at the end of the period	5,339,537	5,279,531		5,279,531
Number of outstanding shares adjusted for dilution, weighted average during the period***	5,558,377	5,789,711		5,702,591

#### Reconciliation Statement for Adjusted Operating Result:

	1-6	1-6	1-12
1,000 EUR	2022	2021	2021
<b>ADJUSTED OPERATING RESULT:</b>			
<b>Operating Result</b>	<b>909</b>	<b>-104</b>	<b>-57</b>
Depreciations and impairments on acquisitions	225	95	178
<b>Adjusted Operating Result (EBITA) *</b>	<b>1 134</b>	<b>-9</b>	<b>121</b>
Acquisition costs	173	0	0
Expenses associated with the share-based incentive scheme pursuant to IFRS	-510	825	953
<b>Adjusted Operating Result **</b>	<b>797</b>	<b>816</b>	<b>1 074</b>

\* **EBITA = operating result (EBIT) added with depreciations and impairments on acquisitions.**

\*\* **Adjusted operating result = operating result (EBIT) adjusted for acquisition costs and allocated depreciation of acquired businesses, as well as expenses associated with the share-based incentive scheme pursuant to IFRS.**

\*\*\* **Dilution effect includes management share-based incentive programme's potential dilution effect from new shares calculated with the closing share price at the end of the review period.**

#### FINANCIAL INFORMATION

Avidly will publish its business review for the period 1 January–30 September 2022 on Friday 28 October 2022.

In Helsinki, 26 August 2022

AVIDLY OYJ

BOARD OF DIRECTORS

#### Additional information:

Jesse Maula, CEO, tel. +358 40 548 0248

Hans Parvikoski, CFO, tel. +358 40 586 6154

**Oaklins Merasco Oy acts as Avidly Plc's Certified Advisor, tel. +358 9 6129 670**

### **About Avidly**

*Avidly is a leading martech service provider listed on the Nasdaq First North Growth marketplace in Helsinki. We offer holistic digital marketing and sales services, and customer experience, data and technology are closely entwined into our impact-driven growth strategy. We are a team of approximately 300 navigators and explorers, makers and shakers in 18 locations in Finland, Sweden, Norway, Denmark, Germany, UK and Canada. Read more: [investors.avidlyagency.com/en](https://investors.avidlyagency.com/en)*

### **Attachments**

- [Download announcement as PDF.pdf](#)
- [Avidly\\_Half-year financial report\\_2022\\_final.pdf](#)