



AVIDLY'S FINANCIAL STATEMENTS RELEASE 2020: REVENUE INCREASED BY 13 PER CENT TO 25.0 MILLION EUROS AND PROFITABILITY IMPROVED SIGNIFICANTLY

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AVIDLY'S FINANCIAL STATEMENTS RELEASE 2020: REVENUE INCREASED BY 13 PER CENT TO 25.0 MILLION EUROS AND PROFITABILITY IMPROVED SIGNIFICANTLY

Avidly Plc, financial statements release, March 4, 2021 at 8:30 a.m.

This company announcement is a summary of Avidly's Financial Statements Release for January-December 2020. The complete Release 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>.

The measures taken to improve Avidly's profitability began to show during the second half of the year, and the operating profit of both business segments was positive in July-December 2020. The COVID-19 pandemic slowed down the demand for Marketing Services, but Inbound Services continued good growth. The full-year revenue increased by 13 per cent to 25 million euros (22.1)[1] and adjusted operating result[2] increased to 0.3 million euros (-2.1).

July-December 2020

- Revenue was 12,007 thousand euros (10,350), an increase of 16.0%.¹
- Gross profit was 9,323 thousand euros (7,851), an increase of 18.7%. Continuous services accounted for approximately 41% (38%) of gross profit.
- EBITDA was 1,194 thousand euros (-1,031), an increase of 215.8%.
- Adjusted operating result² improved to 626 thousand euros (-1,925).
- The Group's operating profit was 342 thousand euros (-2,093), or 2.8% of revenue (-20.2%).
 - The operating profit of Marketing Services was 144 thousand euros (-1,417).
 - The operating profit of Inbound Services was 198 thousand euros (-676).
- The profit for the period was 123 thousand euros (-2,050), or 1.0% of revenue (-19.8%).
- Earnings per share were 0.02 euros (-0.84).

January-December 2020

- Revenue was 24,970 thousand euros (22,131), an increase of 12.8%.
- Gross profit was 18,649 thousand euros (17,266), an increase of 8.0%. Continuous services accounted for approximately 42% (35%) of gross profit.
- EBITDA was 1,724 thousand euros (-603), an increase of 386%.
- Adjusted operating result² improved to 337 thousand euros (-2,065).
- The Group's operating profit was -61 thousand euros (-2,392), or -0.2% of revenue (-10.8%). The operating profit includes an expense of some 50 thousand euros associated with the rights issue that ended in June (expenses relating to cooperation negotiations of 98 thousand euros in the reference period).
 - The operating profit of Marketing Services was -301 thousand euros (-1,301).
 - The operating profit of Inbound Services was 240 thousand euros (-1,091). In the reference period, this item included some 130 thousand euros of organizational costs relating to acquisitions.
- The profit for the period was -342 thousand euros (-2,478), or -1.4% of revenue (-11.2%).
- Cash flow from operations was 1,611 thousand euros (-467).
- Earnings per share were -0.09 euros (-1.03).
- The Board of Directors proposes to the Annual General Meeting that no dividend be distributed for the financial year 2020 (0.00 euros for 2019).

OUTLOOK FOR 2021

Avidly estimates that its revenue will grow in 2021 (revenue in 2020: 25.0 million euros) and that its adjusted operating result will be profitable (adjusted operating result in 2020: 0.3 million euros).

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.

We continuously monitor the impacts of the COVID-19 pandemic on our customers' business and our demand outlook and, if necessary, will adjust our operations to match the demand.

CEO JESSE MAULA:

We succeeded in turning the direction of our financial development during the second half of 2020. Our market environment in 2020 was impaired as a result of the COVID-19 pandemic, but Avidly's comprehensive service portfolio, extensive customer base and strong digital expertise turned out to be strengths and were reflected in the profitable growth of both Marketing Services and Inbound Services. Avidly's revenue increased by 16.0% to 12.0 million euros in July-December (10.4), and the operating profit for the period was 0.3 million euros (-2.1).

Full-year revenue increased by 12.8% to 25.0 million euros, and our operating profit improved clearly year-on-year to -0.1 million euros (-2.4). However, our adjusted operating result[2] was already 0.3 million in the black.

I am pleased that, together with all Avidly employees, we succeeded in one of the most important goals we set for 2020: strengthening the foundation of the company's business. Underlying the favorable financial development is a large number of diverse development projects with which we have developed our mindset, sales and marketing process, monitoring of the profitability of customer projects and internal costs, organization and management model as well as the predictability of business. I would like to thank all Avidlyans for their ability to innovate and for their active participation in the implementation of internal development projects.

The rights issue carried out in June and the long-term financing arrangement signed in June were also a key part of the rehabilitation of our business and stabilizing our finances.

We also set two other key goals for 2020: clarifying the strategy and Avidly's brand reform. Our Impact Driven Growth strategy updated in December 2020 positioned us strongly as a martech service provider, and it is based on offering comprehensive digital marketing and sales services and solutions to customers in order to achieve a positive change. Our strategy emerged through cooperation involving all Avidlyans, and we all are committed to reaching the growth and profitability goals set in it and to achieving the impact described in the strategy reaching for 2025. The new Avidly brand we launched in early March 2021 supports our goals.

Even though we have succeeded in turning the direction of our financial development for the better, a lot remains to be done in getting our business to the targeted profitability level. The estimated strong future growth of the martech industry will also provide us with lots of opportunities. Our long-term strategic goals are profitable growth, thought leadership, best place to work and most loyal customers, and we will continue the work to reach these in 2021.

Key figures	1-12	1-12	change
EUR 1,000	2020	2019	%
Revenue	24,970	22,131	12.8
Gross profit	18,649	17,266	8.0
EBITDA	1,724	-603	385.9
Operating profit	-61	-2,392	97.4
Profit before taxes	-400	-2,593	84.6
Personnel, average	228	246	-7.3
Earnings/share, EUR	-0.09	-1.03	91.6
Earnings/share, diluted, EUR	-0.08	-1.03	92.1
Equity ratio, %	40.9	38.5	
ROE, %	-4.1	-32.2	
Equity/share, EUR	1.85	2.84	-34.7
Gearing, %	14.3	60.7	
Number of outstanding shares, weighted average during the period	3,954,023	2,409,549	

Number of outstanding shares, at the end of the period	5,279,531	2,473,290	
Number of outstanding shares adjusted for dilution, weighted average during the period	4,218,683	2,409,549	

FINANCIAL INFORMATION IN 2021

Avidly will publish the Annual Report 2020, containing the Report of the Board of Directors and financial statements for 2020, on week 10, 2021. Avidly's financial reports will be published as follows:

- Business Review January–March 2021: April 30, 2021
- Half-Year Report January–June 2021: August 27, 2021
- Business Review January–September 2021: October 29, 2021

The Annual General Meeting is planned to be held on 13 April, 2021.

Helsinki, 4 March 2021

AVIDLY PLC

BOARD OF DIRECTORS

Additional information:

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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 more than 230 navigators and explorers, makers and shakers in 16 locations in Finland, Sweden, Norway, Denmark and Germany. Read more: investors.avidlyagency.com/en

[1] Unless otherwise stated, comparisons and figures in parentheses refer to the comparison period, i.e. the same period last year

[2] 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.

Attachments

- [Download announcement as PDF.pdf](#)
- [AVIDLY financial statements release 2020.pdf](#)