



## **Avidly's Half-year Financial Report for 1 January-30 June 2021 (unaudited): Revenue increased by 17.5%, gross profit was up by 21.3% and adjusted operating result increased to 0.8 million euros (-0.3 million euros).**

27.8.2021 08:30:00 EEST | Avidly Oyj | Interim information

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Avidly Plc, Half-year Report, 27 August 2021 at 08:30 (EET)

*This company announcement is a summary of Avidly's Half-year Financial Report for January-June 2021. 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 2021**

- Revenue was 8,095 thousand euros (6,220 thousand), an increase of 30.1%.<sup>1</sup>
  - International portion of revenue was 22.8% (22.0%).
- Gross profit totaled 5,800 thousand euros (4,422 thousand), an increase of 31.2%.
  - International portion of gross profit was 27.6% (25.4%).
  - Continuous services accounted for approximately 49% (46%) of gross profit.
- The Group's operating result was -103 thousand euros (-229 thousand).
- Adjusted operating result<sup>2</sup> improved to 347 thousand euros (-172 thousand), or 4.3% of revenue (-2.8%).

### **January-June 2021**

- Revenue was 15,238 thousand euros (12,963 thousand), an increase of 17.5%.<sup>1</sup>
  - International portion of revenue was 22.6% (21.9%).
- Gross profit was 11,314 thousand euros (9,326 thousand), an increase of 21.3%.
  - International portion of gross profit was 26.7% (25.1%).
  - Continuous services accounted for approximately 45% (43%) of gross profit.
- EBITDA was 716 thousand euros (530 thousand), an increase of 35.1%.
- The Group's operating result was -104 thousand euros (-403 thousand).
- Adjusted operating result<sup>2</sup> improved to 816 thousand euros (-289 thousand), or 5.4% of revenue (-2.2%).
- Profit for the period was -230 thousand euros (-465 thousand), or -1.5% of revenue (-3.6%).
- Earnings per share was -0.04 euros (-0.17).
- Cash flow from operations was 873 thousand euros (2,516 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.

### **Updated outlook for 2021 (issued on 27 August 2021)**

Avidly estimates that its revenue in 2021 will be between 28 and 30 million euros (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).

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.

### **Previous outlook for 2021 (issued on 4 March 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).

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.

We continuously monitor the impact of the coronavirus pandemic on our customers' business and our demand outlook and, if necessary, will adjust our operations to match demand.

#### CEO Jesse Maula:

Avidly's growth continued in Q2 2021 in line with our expectations. Our revenue was up by 30.1% and gross profit by 31.2% from the comparison period that was weakened by the coronavirus pandemic. Our operating environment was favourable in all of our operating countries and through our service offering, and our customers were particularly interested in digital services that accelerate sales and marketing automation. We succeeded in growing our existing client accounts, in addition to which new customers accounted for nearly a quarter of the period's growth. We won several new customers, for example Estrella and Martela in Finland, Bauer Media Audio in Denmark, Canea in Sweden and Cognigy in Germany, and the share of continuous services of gross profit increased to 49 per cent.

Besides customer work, we continued to develop our internal processes and service platform. We also invested in increasing awareness of Avidly. I am glad that Avidly has been able to both retain and attract new top martech professionals and customers in the current situation, where there is strong demand especially for digital marketing experts. At the same time, I'm content that we have been able to grow, thanks to our improved business predictability and monitoring, in a more disciplined manner than previously.

Our Q2 operating result improved from the comparison period to -103 thousand euros (-229). Our adjusted operating result, which describes the operational performance of our operations, improved to 347 thousand euros (-172 thousand), or 4.3% of revenue (-2.8%). Adjusted operating result excludes the expense of 405 thousand euros associated with the share-based incentive scheme pursuant to IFRS as they are technical in nature and restructuring costs related to acquisitions and allocated depreciation of acquired businesses. We aim to keep our profitability at a reasonable level in the future, but, in keeping in line with our strategy, our focus will be on the growth and development of our service platform instead of optimizing short-term profitability.

We expect our business to continue to trend positively in H2 2021. We will also continue to seek opportunities for growth and partnership within the martech ecosystem.

Key figures	1-6	1-6	Change	1-12
EUR (1,000)	2021	2020	%	2020
Revenue	15,238	12,963	17.5%	24,970
International portion of revenue	3,440	2,834	21.4%	5,627
Gross profit	11,314	9,326	21.3%	18,649
International portion of gross profit	3,022	2,338	29.3%	4,797
Continuous services of gross profit	45%	43%		42%
EBITDA	716	530	35.1%	1,724
Operating result (EBIT)	-104	-403	74.2%	-61
EBITA*	-9	-289	96.9%	168
Adjusted operating result**	816	-289	382.4%	337
Profit before taxes	-222	-510	56.5%	-400
Personnel, average	233	232	0.4%	228
Earnings/share, EUR	-0.04	-0.17	74.8%	-0.09
Earnings/share, diluted, EUR	-0.04	-0.17	77.0%	-0.08
Equity ratio, %	44.60%	39.23%		40.91%
ROE, %	-2.28%	-5.79%		-4.07%
Equity/share, EUR	1.97	1.82	8.3%	1.85

Gearing, %	10.44%	-1.82%		14.34%
Number of outstanding shares, weighted average during the period	5,279,531	2,691,971		3,954,023
Number of outstanding shares, at the end of the period	5,279,531	4,960,792		5,279,531
Number of outstanding shares adjusted for dilution, weighted average during the period***	5,789,711	2,691,971		4,218,683

\* **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 2021 on Friday 29 October 2021.

In Helsinki, 27 August 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](https://investors.avidlyagency.com/en)

## Attachments

- [Download announcement as PDF.pdf](#)
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