

Wirtek Annual Report 2020: Revenue grew by 19% and EBITDA was up by 80%

The consolidated annual report for the period 1 January to 31 December 2020 was approved by the Board of Directors today.

CEO Michael Aaen comments:

“2020 was another great year for Wirtek. We delivered revenue growth of 19% and EBITDA growth of 80%, despite the ongoing COVID-19 pandemic. These strong results confirm our ability to provide consistent, profitable growth. A combination of economics of scale and operational efficiency has allowed us to increase the percentage of billable colleagues from 82% in 2019 to 86% in 2020.

Our cash position also improved significantly during 2020, with a 65% growth in cash holdings. In line with our dividend policy, the Board of Directors will propose the pay-out of dividends for 2020 of DKK 0.20 per share.

We expect continued double-digit organic growth during 2021 and, in line with our new Accelerate25 growth strategy, we expect to complete the acquisition of a profitable, growth-oriented software company during Q2 2021.”

Financial highlights 2020

| TDKK | 2020 | 2019 | Change |
|-----------------------|--------|--------|--------|
| Revenue | 27,626 | 23,216 | 19% |
| EBITDA | 3,223 | 1,793 | 80% |
| EBITDA-margin | 11.7% | 7.7% | 52% |
| Pre-tax profits (EBT) | 3,041 | 1,345 | 126% |
| Cash holdings | 3,892 | 2,358 | 65% |

Strong performance in 2020

- **Revenue** increased to TDKK 27,626, a growth of 19% compared to 2019. Danish clients account for 71% of total revenue while international clients account for 29%.
- **EBITDA** increased to TDKK 3,223, a growth of 80% compared to 2019. Increased operational efficiency in our Romanian subsidiary explains the record high EBITDA-margin of 11,7% in 2020.
- **Pre-tax profits** in 2020 was TDKK 3,041, an increase of 126% compared to 2019.
- **Cash holdings** increased to TDKK 3,892 during 2020, up by 65% compared to 2019.

Outlook for 2021

In 2021, Wirtek again expects to deliver double-digit revenue growth in line with our new Accelerate25 strategy, announced in January this year.

Organic revenue for 2021 is expected in the range of DKK 31.6m – DKK 33.2m, a growth of 14% – 20% compared to 2020. EBITDA for 2021 is expected in the range of DKK 3.5m – DKK 3.8m, a growth of 9% - 19% compared to 2020.

| DKK m | 2021 | 2020 | Growth |
|-----------------|-------------|------|-----------|
| Organic revenue | 31.6 – 33.2 | 27.6 | 14% - 20% |
| EBITDA | 3.5 – 3.8 | 3.3 | 9% - 19% |

As announced on 18 February 2021 (see company announcement no. 02/2021), Wirtek has signed a Letter of Intent to acquire a profitable, growth-oriented software company providing outsourcing services that complement and further build-out Wirtek's service offerings. The final closing of the acquisition is planned for beginning of April 2021 and is conditioned by a satisfactory due-diligence result. After closing, Wirtek will immediately announce new and adjusted expectations for 2021.

Long-term financial goals

Wirtek is aiming for DKK 100m in revenue and DKK 10m in pre-tax profits by 2025, an average annual revenue growth of 30%. While still expecting organic double-digit revenue growth each year, Wirtek will also pursue strategic acquisitions as part of the accelerated growth strategy.

Investor presentation, 9 March at 16:00 am CET

On Tuesday, 9 March at 16:00 am CET, CEO Michael Aaen will present results for 2020 and the new **Accelerate25** growth strategy, followed by a Q&A session (in Danish). [Link to the presentation and registration at Nordnet.](#)

For full details of our financial performance during 2020 and future expectations, see the enclosed annual report for 2020.

Further information

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About Wirtek

Wirtek is a Danish IT outsourcing company. Since 2001, we have been teaming up with companies to help them create great software solutions and electronic equipment products.

Several clients have been with us for more than 10 years, so we can confidently say that in outsourcing, the quality of the relationship matters just as much as the quality of the delivered software. Our clients get state-of-the-art technical solutions and a committed team that works with them as if it were their own.

Wirtek has offices in Denmark (HQ + sales) and three development and test centres in Romania, and we are 100+ colleagues. Wirtek was listed at Nasdaq First North Growth Market Denmark in 2006.

Ticker Code: [WIRTEK \(DK0060040913\)](#)