

Wirtek announces Accelerate25XL strategy - Revenue goal for 2025 raised by 30%

This announcement contains inside information

Wirtek has reviewed its Accelerate25 growth strategy and announces today a revised **Accelerate25XL** strategy with raised financial goals. The new revenue goal for 2025 is adjusted to DKK 130 million, an increase of 30%, EBITDA is expected to reach DKK 18 million by 2025, corresponding to an EBITDA-margin of 13,8%, and pre-tax earnings (EBT) is adjusted to DKK 15 million, an increase of 50%. Application for Nasdaq main market listing has been included in the operational targets for the strategy period.

Strong performance in 2021 and 2022

Wirtek showed very strong financial performance in 2021 with revenue growth of 64% and EBITDA growth of 94%. After raising expectations for 2022 on 3 March 2022 (see [company announcement no. 3/2022](#)), Wirtek expects revenue growth of at least 41% and EBITDA growth of at least 39% during 2022.

Based on the 2021 results and current 2022 expectations, the Board of Directors has reviewed the Accelerate25 growth strategy launched in January 2021 since Wirtek is significantly ahead of the original average annual revenue growth goal of 30%. As a result, Wirtek announces an updated growth strategy, **Accelerate25XL**, for the period of 2022 – 2025 with updated long-term goals.

<i>DKKm</i>	2025	2025	2022	2021	Growth 2022
	<i>New goals</i>	<i>Previous goals</i>	<i>Current expectations</i>	<i>Actual results</i>	
Revenue	130	100	64.0 – 69.0	45.4	41% – 52%
EBITDA	18	> 10 *)	8.6 – 9.6	6.2	39% – 54%
EBT	15	10		5.2	

*) EBITDA during 2025 must be above the Accelerate25 EBT target of DKK 10 million.

Updated long-term goals for 2025

Based on the strategic review, the long-term goals have been updated. Financial and operational goals have been raised and adjusted as follows:

- The updated **revenue** goal for 2025 is **DKK 130 million**, an increase of 30% compared to the previous goal of DKK 100 million. This updated revenue goal also signals that Wirtek still expects an average annual revenue growth of 30% during 2022 – 2025, albeit from a significantly higher revenue level due to the very strong revenue growth achieved in 2021. The updated revenue goal will be reached through a combination of double-digit organic growth and further acquisitions.

- The goal of an EBITDA-margin of minimum 6% is changed to an **EBITDA goal of DKK 18 million** by 2025. Wirtek expects the EBITDA-margin in 2025 to be 13.8%.
- Wirtek changes the **pre-tax earnings** goal (EBT) in 2025 to **DKK 15 million**, an increase of 50% compared to the previous EBT goal of DKK 10 million.
- The operational goal of **“At least 1 sourcing location outside Romania by 2025”** remains unchanged. To ensure that Wirtek’s delivery organisation can scale with enough IT talent to support the accelerated growth, and to reduce sourcing risk, Wirtek still plans to expand its sourcing capabilities to at least 1 location outside Romania.
- The operational goal for employee retention is modified to **“Employee retention rate of >85% from 2024”** to be better aligned with the current job market for IT talent.
- The Board of Directors has included a new operational goal: **“Nasdaq Main Market listing before end of 2025”**. Due to the strong growth Wirtek has experienced for several years and also expects during the coming years, the Board of Directors find that it is time for Wirtek to prepare for Nasdaq Main Market listing. To pave the way for this transition, Wirtek has recruited an experienced CFO this year and aims to implement IFRS during 2022.

New financial goals

DKK 130M

annual revenue by 2025

DKK 15M

pre-tax earnings by 2025

DKK 18M

EBITDA by 2025

New operational goals

1

sourcing location
outside Romania by
2025

> 85%

employee retention rate
from 2024

**Nasdaq Main
Market**

listing before
end of 2025

Four strategic tracks supporting the growth

The Board of Directors find that the original four strategic tracks defined to reach the long-term goals are still fully aligned with the intended direction of the company and will remain unchanged (see [company announcement no. 01/2021](#)). The four strategic tracks are defined as follows:



Accelerated profitable growth

through a combination of organic growth and acquisitions.

Wirtek will continue our double-digit organic revenue growth with strong profitability. We will expand direct sales activities in existing regional markets as well as sustain and build long-lasting client partnerships based on consistent, high-quality services that meet or exceed the expectations of our

clients. As part of our new rebranded platform, we will utilize omni-channel marketing in select geographical regions to further expand sales.

To accelerate the growth, Wirtek will pursue acquisition of other companies in the industry. Wirtek will very carefully select acquisition targets and ensure strong cultural fit as a foundation for any acquisitions. The acquisition targets must also provide significant other market benefits to Wirtek such as: expanding the market share in existing markets, provide access to new sales channels and clients internationally, access to sourcing capabilities outside Romania and gain competencies in technologies and/or services considered critical for future growth.



International sales expansion

with focus on select geographical markets in North-Western Europe.

The global market for outsourcing of IT Services is predicted to grow 7,7% annually and reach a market value of USD 938 billion by 2027.¹

Wirtek already grew revenue from clients outside Denmark from 29% in 2020 to 49% in 2021. We see a great opportunity to further capitalize on the fast-growing, huge global market to expand our service offering internationally. We will focus our efforts on select geographical regions in North-Western Europe.



Scalable and sustainable sourcing

in nearshore locations with right combination of skills, capacity, culture, stability, and cost.

Wirtek will continue to build an effective service delivery organization that can scale efficiently with the strategic direction of accelerated profitable growth. We will leverage and shape our employee brand to attract and retain talent and further build strategic sourcing partnerships with local collaborators for fast reaction time and sourcing flexibility.

To scale our sourcing capabilities and reduce risk, Wirtek will add sourcing capacity outside Romania in location(s) with the right combination of skills, capacity, culture, stability, and cost.



Best-in-class workplace

– a place to be inspired, challenged professionally, and develop personally.

Wirtek's most important assets are our talented employees that deliver quality services at a consistent, high level and seamlessly adapt to our clients' way of working.

To attract and retain talent with the right combination of hard and soft skills, we aim to be recognized as a best-in-class workplace. We will live out our core values, continuously focusing on creating an attractive work environment that is amongst the best in the industry. We will nurture a company culture of building empathic and engaging relationships with colleagues and clients. We will continuously invest in people development to ensure that our colleagues have the needed skillset requested by the market.

¹ Source: <https://www.grandviewresearch.com/industry-analysis/it-services-outsourcing-market>

Wirtek will publish the interim report for Q1 2022 on 10 May 2022.

Further information

- Michael Aaen, CEO, Wirtek A/S, Phone: +45 2529 7575, E-mail: ir@wirtek.com
Niels Jernes Vej 10, 9220 Aalborg Ø, www.wirtek.com
- Kent Mousten Sørensen, Chairman, Wirtek A/S, Phone: +45 2125 9001
- Per Vestergaard, Certified Advisor, CDI Global, Phone: +45 2176 4317

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 four development and test centres in Romania, and we are 180+ colleagues. Wirtek was listed at Nasdaq First North Growth Market Denmark in 2006.

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