



Significant growth potential in IT outsourcing

InvestorUgen – Tuesday, November 10, 2020

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Michael Aaen, CEO

Disclaimer: Forward-looking statements, especially such relating to future sales and operating profit, are subject to risks and uncertainties. Various factors, many of which are outside Wirtek's control, may cause the actual development of the company to differ materially from the expectations contained in this presentation.

OUR MISSION

“ To help our clients create quality software solutions and electronic equipment products, as if these were our own

OUR CORE VALUES



Commitment

Dedication and care in everything that we do



Common sense

Sound judgment and realism in everyday life



Proficiency

Ingenuity and solution-oriented mindset in the way we act

Quick facts about Wirtek

- ✓ 19 years of experience in the IT industry
- ✓ 2 offices in Denmark (HQ + sales) and 3 development and test centres in Romania
- ✓ 6+ years average client partnership duration, increasing day-by-day
- ✓ 100+ colleagues – our most valuable asset serving our clients in Denmark and internationally every day

22%

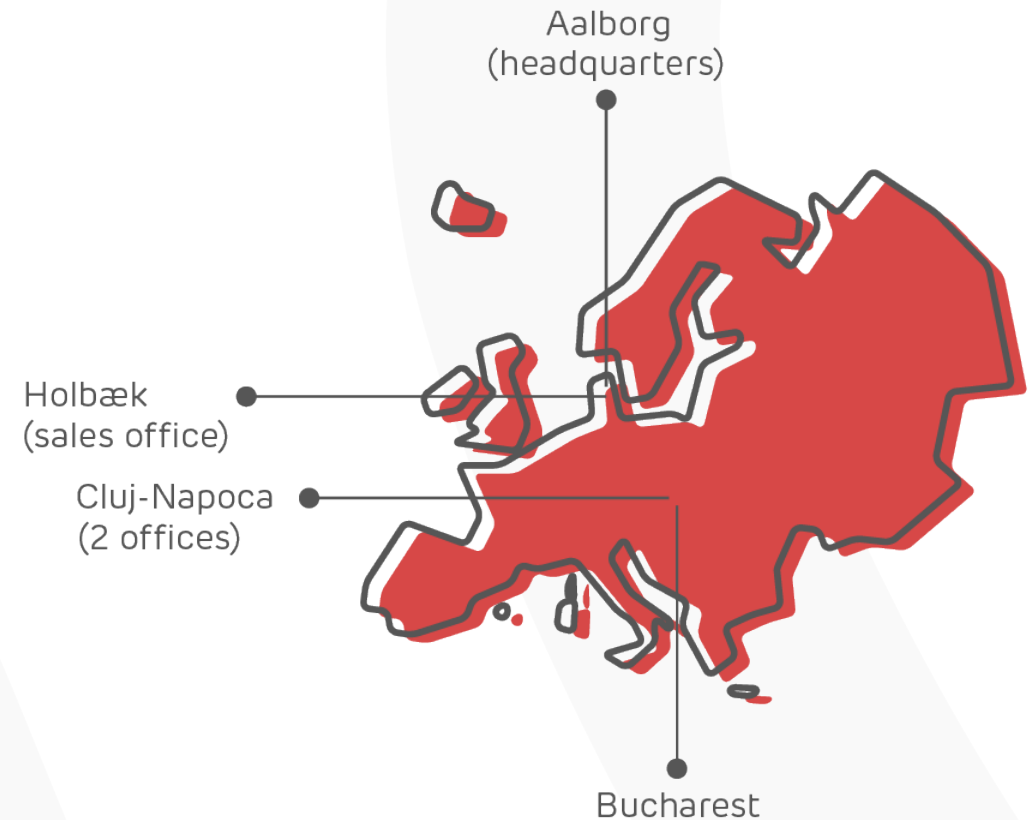
average annual revenue growth from 2016 - 2019

38%

average annual earnings growth from 2016 - 2019

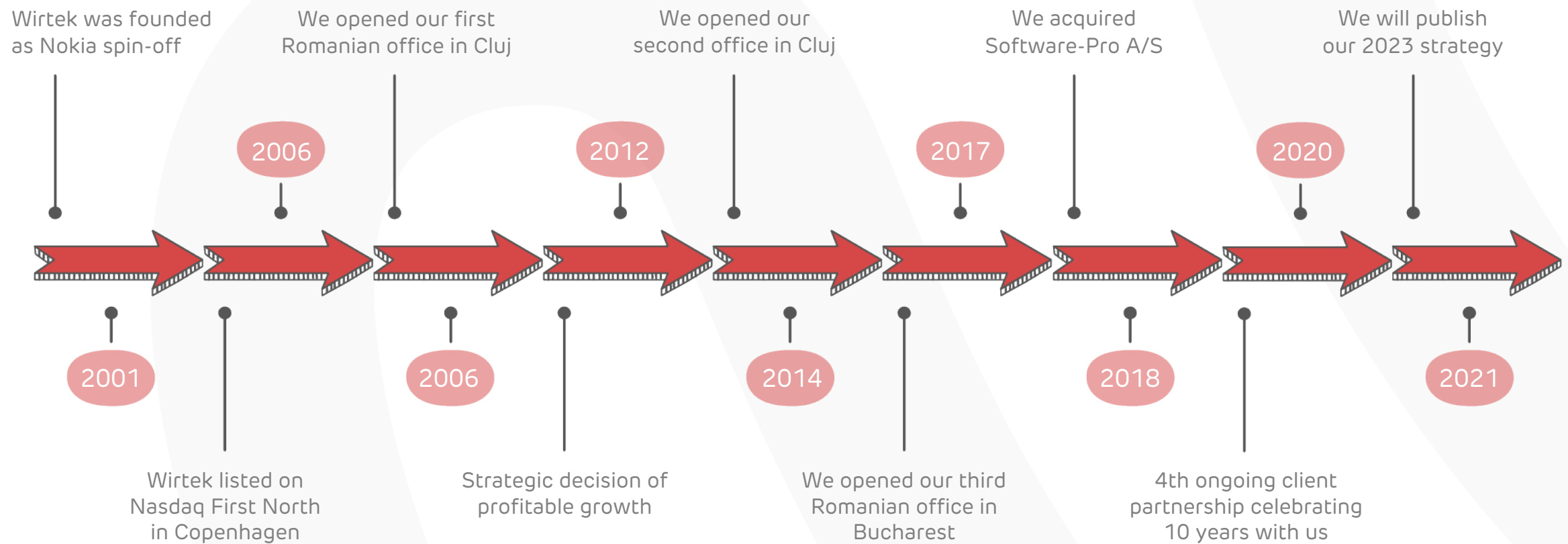
80%

revenue in place at the beginning of the year



The history of Wirtek

For 20 years we have been building upon our Danish heritage and contributing to our clients' growth through transparent and trust-based partnerships.



Our market

We are competing in a fast-growing IT services outsourcing market driven by trends like digitalization, automation, cloud computing and IoT (Internet of Things).

Huge global market

The global IT services outsourcing market is predicted to grow 7,7% (CAGR) annually and reach a value of USD 938 billion by 2027. ¹⁾

The IT services outsourcing market in Denmark is expected to have a value of USD 2,6 billion in 2021 (less than 0,5% of the total global market value). ²⁾

\$938B

global market
size by 2027

7,7%

average annual
growth (CAGR)

\$2,6B

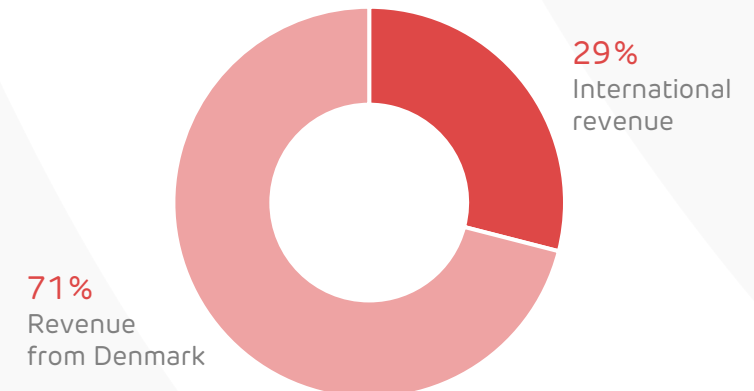
Danish market
size in 2021

International growth potential

Less than 30% of our revenue currently comes from clients outside of Denmark.

We will explore international growth opportunities even more in the coming years.

Revenue distribution
for H1 2020



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

²⁾ Source: <https://www.statista.com/forecasts/963914/it-outsourcing-services-revenue-in-denmark>

Our core services

We team up with our clients and help them create great software solutions and electronic equipment products.



Software Engineering Services

Engineering end-to-end software solutions to match the needs of our clients.

Guided by agile principles, we provide services such as product engineering, system architecture & design, software assurance and product re-engineering.



Electronic Equipment Services

Providing a complete set of services on our client's existing electronic equipment.

Services include embedded and integration software development as well as quality assurance and conformance testing of the final product.

Business unit revenue distribution – H1 2020



We value our clients

We establish valuable client partnerships since we believe the quality of the relationship matters just as much as the quality of the delivered software.

Some of our loyal clients that trust us:

ENERGINET

 **KEYSIGHT**
TECHNOLOGIES

 **ClearView**
Trade

INNOMATE
SOFTWARE FOR HR

RTX


RushFiles

Qdossier. 


MARK

OBH Rådgivende
Ingeniører

spectralink 

"Wirtek has been our partner in product conformance testing for the past 13 years and the length of the collaboration says a lot about our relationship. We trust them fully, the team is very self-driven and the processes are transparent. In daily work, the collaboration is just as natural as with any other RTX site around the world."

Christopher Meisner
Software Manager
RTX A/S

Our service delivery

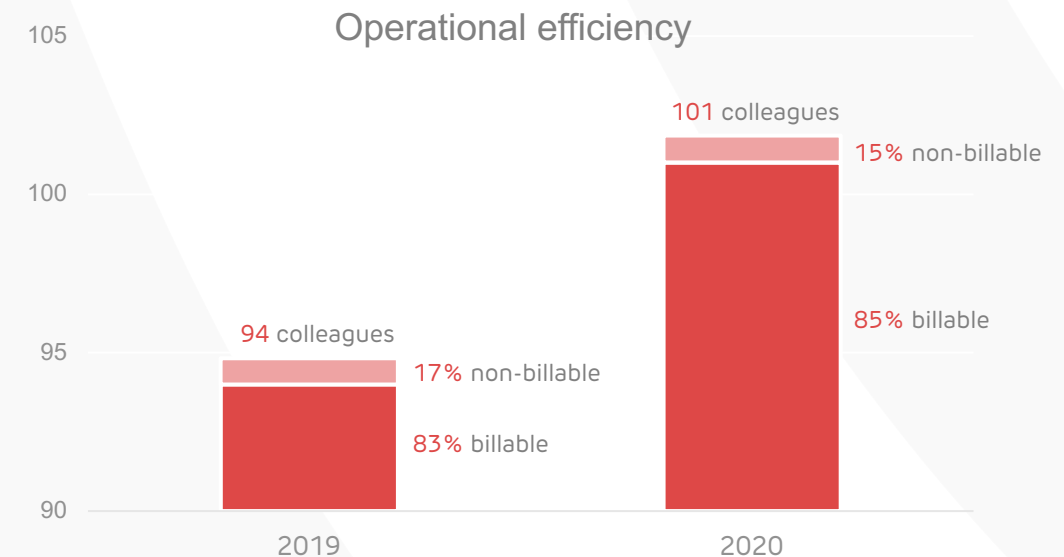
A key to our client success is our ability to deliver consistent, high quality services that meet or exceed their expectations.

Key success drivers

- Our ability to seamlessly adapt to our clients' way of working. We act as a partner, not just a vendor with nameless resources.
- A flexible collaboration model (dedicated teams, project services – or a combination)
- Our EU-based development and test centres ensure cultural affinity, easy GDPR compliance and reduced macro-economic risk
- Our gender diversity (>35% of our colleagues are female which is uncommon in the Western European IT industry)

Scalable business model

Our focus on operational efficiency allows us to increase our service delivery capacity without increasing overhead at the same rate.



Financial Highlights

We published our financial results for first half of 2020 on August 14. Despite COVID-19, the numbers show we have significantly outperformed the same period during 2019.

TDKK	2020				2019	2018
	H1 2020	H1 2019	2019	2018		
Revenue	13.656	10.777	23.216	20.405		
EBITDA	1.654	707	1.789	1.571		
EBITDA-margin (%)	12,1%	6,6%	7,7%	7,7%		
Pre-tax profits	1.552	636	1.343	1.353		
Cash in hand	4.544	1.084	2.358	2.066		

27% growth

144% growth

Outlook for 2020

The first half of 2020 was affected by COVID-19 uncertainty but has also shown, that Wirtek's business model is solid in the middle of a global crisis.

Development in 2020 expectations

MDKK	Mar. 6, 2020	Aug. 5, 2020	Sep. 14, 2020	Growth
Revenue	26,0 - 28,0	26,0 - 28,0	27,0 - 28,0	16 - 21%
Pre-tax profits	1,55 - 1,75	1,9 - 2,2	2,4 - 2,7	79 - 101%

Main reasons for raised expectations

- Less impact from COVID-19 than initially feared
- Close to optimal utilisation of capacity in our Romanian subsidiary
- New project from an American client
- Higher activity level in Q4 than previously expected

Our Q3 financial report will be published on November 18, 2020

A solid foundation for future growth

Lessons learned from the financial crisis keep us growing profitably despite the ongoing global crisis caused by the COVID-19 pandemic.

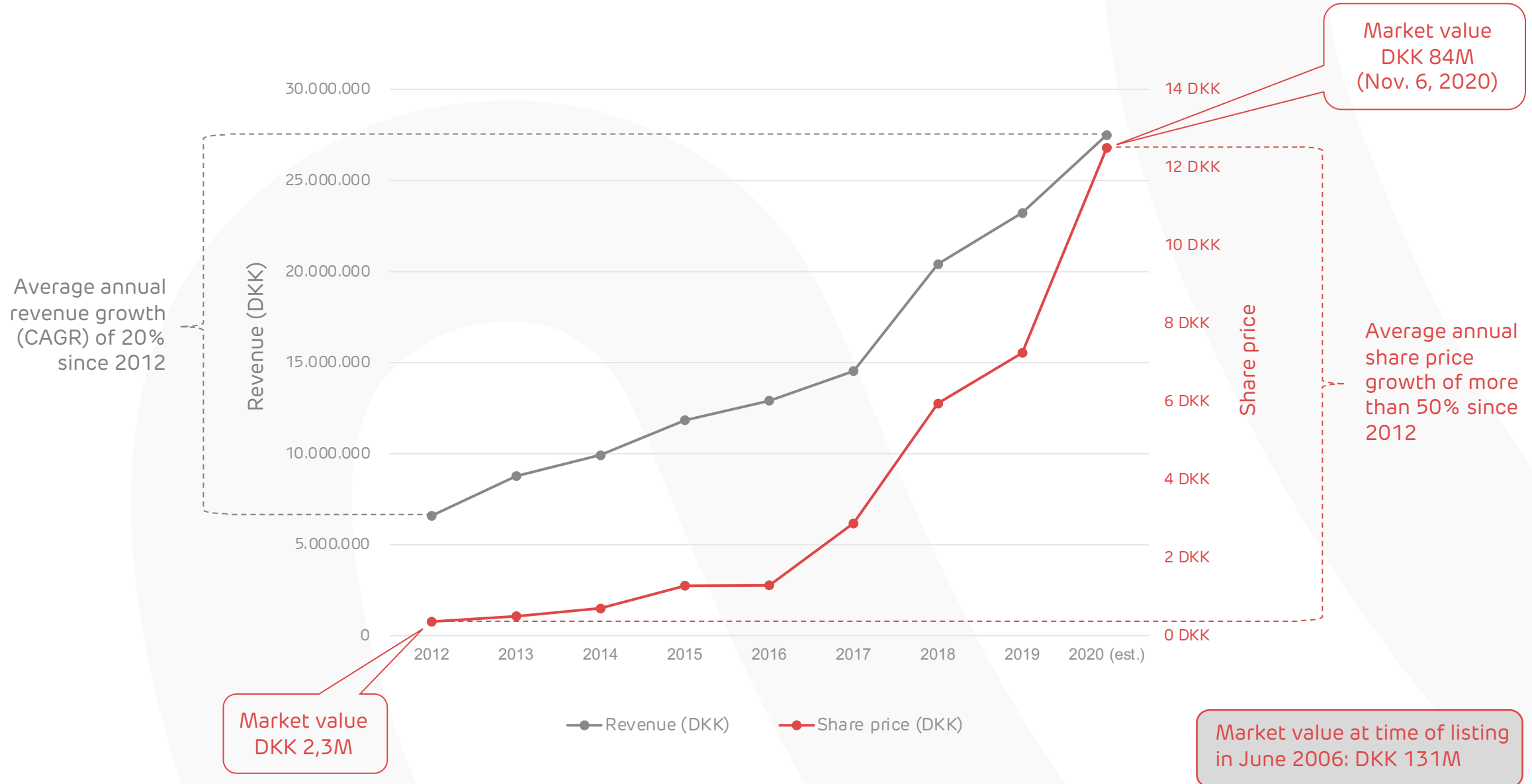
Main success factors

- Profitable growth is a main driver for our business success
- Our clients see us as a strategic partner and are very loyal
- 80% of our revenue is in place at the beginning of the year
- Average annual revenue per client has increased by more than 100% since 2016
- None of our clients have more than 18% of our revenue
- We have no dependency towards any specific industry

"Our colleagues in Wirtek feel like friends, not just coworkers. I appreciate their commitment and the proactiveness, everyone delivers what they are expected to and more. The quality of the work delivered, the strong connections and their flexibility in finding the best possible solution are what keeps us going."

Kræn Munch Christensen
Partner, Development Manager
INNOMATE A/S

Historical performance in perspective



Summary and closing remarks


Why invest in Wirtek


- Proven ability to provide consistent profitable growth
- 80% revenue in place beginning of the year
- Great potential for future growth in a huge global market
- Scalable business model supported by strong service delivery organisation
- Loyal clients (6+ years on average)
- EU-based development and test centres increase value-add and reduces risk for our clients

Investor care initiatives

- From bi-annual to quarterly financial reporting
- Dividend payout (2,2% in 2020; 1,8% in 2019; 3,1% in 2018)
- Liquidity provider agreement with Lago Kapital
- Pro-active investor relations strategy
 - Expanded investor information on our website
 - Frequent investor news and investor newsletter to subscribers
 - Participating in investor events and interviews

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Investor Relations

Proven track record of double-digit growth in both revenue and earnings for the past 8 years.

Who is Wirtek


Wirtek is a Danish IT outsourcing company. We team up with companies to help them create great software solutions and electronic equipment products. With us, people come first and we're happy to have a team of great minds, with their hearts in the right place. And this changes everything, from the quality of the service to the attention we give to our client's business. Our clients get top-notch technical solutions and a committed team that works with them as if it were their own. We have a proven track record of creating strong financial results and our long-lasting client partnerships give us a unique position for future growth.

Why invest in Wirtek




Profitable growth

With a scalable business model and a flexible cost structure, we have been able to grow profitable year after year. During the past 3 years revenue has grown annually by 22% (CAGR) while earnings have increased annually by 38% (CAGR).



Loyal clients

50% of our clients have been with us for more than 5 years although we constantly partner up with new clients. Our clients trust us and stay with us because we meet or exceed their expectations and make a real difference to their business success.



Huge market potential

The global IT outsourcing market is predicted to grow 7,7% annually and reach a value of USD 938 billion by 2027. Less than 30% of our revenue currently comes from clients outside Denmark, with a goal of exploring international opportunities even more in the coming years.



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Thank you!
Any questions?

Investor relations

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